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PART LIX.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF EGYPT.

157

1901.

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PART LIX.

FURTHER CORRESPONDENCE

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1901.

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CONFIDENTIAL.

Further Correspondence respecting the Affairs of Egypt.

Part LIX.

No. 1.

War Office to Foreign Office.—(Received January 3.)

Sir, *War Office, January* 1, 1901.

WITH reference to your letter of the 17th January, 1900, stating that the Secretary of State for Foreign Affairs felt it impossible to suggest to the Egyptian Government any increase of the charge for the army of occupation beyond the 87,000*l.* which has been paid annually to army funds in recent years, I am directed by the Secretary of State for War to inquire whether Lord Lansdowne would be prepared to press for a larger contribution for the year 1901–1902, not only on the ground that the extra cost borne on army votes for the maintenance of the British troops now stationed in Egypt considerably exceeds the contribution paid, but also because steps are being taken to increase the army of occupation by the addition of a battalion of infantry for service at Khartoum.

I am to point out that barracks are being built at Khartoum at an estimated cost of 100,000*l.* of which 35,000*l.* was provided in this year's Estimates. It has not yet been decided whether the employment of another British battalion in Egypt will involve an increase to the army, but, even on the assumption that such an increase can be postponed for the present, the extra cost of the maintenance of this battalion at Khartoum over its cost on home service may be taken at not less than 9,000*l.* a-year.

I am, &c.

(Signed) R. H. KNOX.

No. 2.

Foreign Office to War Office.

(Confidential.)

Sir, *Foreign Office, January* 11, 1901.

THE Marquess of Lansdowne has carefully considered your letter of the 1st instant, inquiring whether he would be prepared to press the Egyptian Government for a larger contribution towards the expenses of the British army of occupation for the year 1901–1902 than the 87,000*l.* which has been paid by that Government annually for some year.

Mr. Secretary Brodrick points out that, apart from the excess of the cost of maintaining the British troops now in Egypt over the contribution paid, a large expenditure is being incurred in the construction of barracks at Khartoum, and even assuming that the employment of another British battalion in Egypt will not involve an increase of the army, the extra cost of the maintenance of this battalion at Khartoum will be not less than 9,000*l.* a-year.

While giving due weight to these considerations, Lord Lansdowne desires to point

out that there are at present even stronger reasons than in previous years against applying to the Egyptian Government for an increase of their contribution.

The Egyptian Budget for the year 1901 shows for the Soudan expenditure an estimated excess of £ E. 417,179, equal to 476,709*l.*, over revenue.

Of this, £ E. 222,634, equal to 259,740*l.*, is for military expenditure, and although it has been agreed between Her Majesty's Government and the Government of Egypt that the Soudan shall be under an Anglo-Egyptian Administration, the whole of the excess charge appearing in the Egyptian Budget for military and other expenditure in the Soudan will be borne by Egypt.

In these circumstances, it appears to Lord Lansdowne that the moment is particularly inopportune for Her Majesty's Government to press the Egyptian Government for an increase of their contribution towards the expenses of the army of occupation, and he trusts that Mr. Brodrick will recognize the force of the objection.

Lord Lansdowne is willing to consult Lord Cromer on the subject, if Mr. Brodrick should desire it, but he is convinced that Lord Cromer will strongly deprecate any attempt to demand an increased contribution at the present time.

I am, &c.
(Signed) T. H. SANDERSON.

No. 3.

Sir H. MacDonell to the Marquess of Lansdowne.—(*Received January* 15.)

(No. 3.)
My Lord, *Lisbon, January* 9, 1901.

WITH reference to your Lordship's despatch No. 56 of the 7th ultimo and to my telegram of the 6th instant, I have the honour to transmit to your Lordship herewith a translation of a note which I have received from the Minister of Foreign Affairs, in which his Excellency states that the Portuguese Government have given their assent to the Decrees modifying the code of the Egyptian Mixed Tribunals, and that they agree with the suggestion of Her Majesty's Government as to the status of the Portuguese Representatives in Egypt.

I have, &c.
(Signed) H. G. MACDONELL.

Inclosure in No. 3.

Senhor Arroyo to Sir H. MacDonell.

(Translation.)
Sir, *Lisbon, January* 7, 1901.

WITH reference to your Excellency's notes of the 13th and 22nd March of last year, addressed to my predecessor, I have the honour to inform your Excellency that instructions have been sent to the Portuguese Consul-General to notify to the Government of His Highness the Khedive the assent of His Most Faithful Majesty's Government to the proposed Decree to modify certain points connected with the organization of Mixed Tribunals with reference to the constitution of a General Court of Appeal, and also to the proposed Decree on the competence of the Mixed Tribunals with regard to Diplomatic and Consular officers.

The Consul-General has also been recommended to address a note to the Egyptian Minister for Foreign Affairs, stating that the Consul-General for Portugal in Egypt belongs to the Portuguese Consular Corps, thus adopting the suggestion referred to in your Excellency's note of the 22nd March last, in order that that officer may be treated like Consuls-General of other Powers who generally send Representatives from their own country, and do not appoint persons resident in Egypt to those posts.

I avail, &c.
(Signed) JOAO M. ARROYO.

No. 4.

Viscount Cromer to the Marquess of Lansdowne.—(*Received January* 28.)

(No. 8. Confidential.)
My Lord, *Cairo, January* 19, 1901.

I HAVE the honour to reply to your Lordship's despatch No. 8 of the 11th instant. I have little to add to the remarks contained in your Lordship's letter to the War Office, in which I venture to express my entire concurrence.

From this correspondence, and also from the inter-Departmental communications which passed in November 1899, I cannot help thinking that the War Office has not been informed of the arrangement made at the time the Soudan Convention was under consideration. That arrangement was embodied in a letter addressed by the Treasury to the Foreign Office on the 20th December, 1898. It might perhaps be desirable that this letter should be brought to the notice of the Secretary of State for War.

It will certainly be desirable that, when the South African pressure is relieved, the British garrison at Khartoum should be raised to one battalion; but whatever the strength may be, I strongly deprecate raising the question of whether the Egyptian Treasury is to bear any portion of the extra expenditure, unless, indeed, Her Majesty's Government is prepared to discuss the general issue of whether the whole cost of the Soudan administration in excess of the revenue of the country, both civil and military, is to devolve on Egypt. As matters stand at present, a demand on the part of Her Majesty's Government for an increase of the Egyptian contribution on military account would certainly be met by a counter-demand for a far larger contribution from the British Treasury on civil account. The best plan, for the time being at all events, will, I think, be to let the matter rest.

I take this opportunity of alluding to a matter which, strictly speaking, lies outside my proper sphere of action. I notice in the War Office letter of the 1st January that the probable cost of the British barracks at Khartoum is stated to be 100,000*l.* I was much struck, on the occasion of my recent visit to Khartoum, with the fact that the plan for the barracks was unnecessarily costly and extensive. Major-General Talbot, who visited Khartoum shortly after me, is, I understand, about to address the War Office on this subject. I venture to express a hope that his remarks will receive careful attention. With proper economy, there ought to be a saving of at least 30,000*l.* on the original estimate.

I have, &c.
(Signed) CROMER.

No. 5

Foreign Office to War Office.

(Confidential.)
Sir, *Foreign Office, February* 4, 1901.

I AM directed by the Marquess of Lansdowne to inform you that he transmitted to His Majesty's Agent and Consul-General at Cairo copies of your letter of the 1st ultimo and my reply of the 11th ultimo, relative to the expenditure incurred by His Majesty's Government in Egypt and the Soudan.

I am to transmit to you, to be laid before the Secretary of State for War, a copy of a despatch which Lord Lansdowne has now received from Lord Cromer on this subject.*

A copy of the letter from the Treasury of the 20th December, 1898, to which Lord Cromer refers, was inclosed in my letter to you of the 20th November, 1899. A duplicate is inclosed herewith for convenience of reference.†

Lord Lansdowne desires to call Mr. Brodrick's attention to Lord Cromer's observations as to the possibility of reducing the cost of the new barracks at Khartoum.

I am, &c.
(Signed) T. H. SANDERSON.

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* No. 4. † Treasury, December 20, 1898.

No. 6.

Viscount Cromer to the Marquess of Lansdowne.—(Received February 18.)

(No. 15.)
(Telegraphic.) P. *Cairo, February 18, 1901*

THE necessity of appointing a successor to the Grand Cadi of Cairo, who died some months ago, as reported in my despatch No. 170 of the 10th October, 1900, has given rise to a slight "contretemps" between the Khedive and the Sultan.

The procedure which has been in force since Ismail's time is that the Khedive chooses two of the Ulema at Constantinople, their names being then proposed to the Sultan, who nominates one of them to the post.

On this occasion a third person has, according to a telegram received from the Egyptian Agent at Constantinople, been directed to leave immediately for Egypt.

We should, I think, persuade the Sultan without delay to cancel this order pending further discussion. The arrival of this nominee in Egypt would occasion a most undesirable show of ill-feeling; besides submitting the Khedive himself to some humiliation in the eyes of the people. From this we ought to protect him, and I think there is every chance of settling the difficulty in an amicable way.

No. 7.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 14.)
(Telegraphic.) P. *Foreign Office, February 18, 1901.*

LORD CROMER'S telegram No. 15 of to-day, which he has repeated to you.

Please act at once on his suggestion.

No. 8.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received February 25.)

(No. 74.)
My Lord, *Constantinople, February 20, 1901.*

WITH reference to my telegrams Nos. 3 and 4 of yesterday, I have the honour to inclose herewith a Memorandum by Mr. Block of the representations made at my request to the Sultan's First Secretary in obedience to your Lordship's instructions and with reference to the appointment of a Cadi of Egypt by the Sultan in opposition to the Khedive's Decree.

I have the honour to request that the Memorandum, of which there is not time to make a copy before the post leaves, may be sent to Lord Cromer with as little delay as possible.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 8.

Memorandum by Mr. Block.

IN accordance with instructions I called upon the Sultan's First Secretary yesterday at Yildiz. I asked him to submit to the Sultan that your Excellency understood that, in the time of Ismail Pasha, an arrangement was made with regard to the mode of appointment of the Cadi of Egypt. According to this arrangement the Khedive submitted the names of one or more "Oulema" of Constantinople, of whom His Majesty was asked to nominate one. The Ambassador had learned that on this occasion the Khedive's nominees had been rejected; with all due respect, your Excellency desired to point out that a departure from the existing arrangement was undesirable, and that you hoped His Majesty would appoint one of the Khedive's nominees; in the event of any other person having been already appointed, you hoped that His Majesty would postpone his departure in order that, at any rate, time should be given for amicable discussion with

the Khedive with a view to arranging the matter. In making this appeal your Excellency was animated solely with the desire of avoiding any unpleasantness between His Imperial Majesty and his vassal; indeed, on the last occasion you had fully explained that it was in the interests of the two countries that no friction should exist between Egypt and Turkey.

The First Secretary brought me the reply of His Majesty to the effect that the Sultan had already appointed the new Cadi of Egypt; his nomination had been officially gazetted and communicated to the Khedive's Agent who had raised no objection. The appointment of a functionary whose duties were non-political, and were confined to the conduct and supervision of legal matters in the religious Courts was a prerogative of the Caliph, and to withdraw his nomination after it had been made known was impossible, the more so as the person had left the day before (18th February). The Khedive's nominees were not fit persons for the post, whereas Kara-Hissarli Abdurrehmin Fazilzade, the person now appointed, was in every way fitted for the post: he had been proposed by the Sheikh-ul-Islam.

I said that I was afraid the matter would assume disagreeable proportions, and I urged to the First Secretary again to see His Majesty and submit that a departure from the precedents already followed would create a bad impression on the Khedive. His Majesty was aware that your Excellency and Lord Cromer had, at His Majesty's request, endeavoured to soothe the Khedive, who was already hurt by several other incidents such as the promotion of Ahmed Pasha Menshahi and the favour shown to Sheikh-el-Bekri, and His Majesty was likewise aware that your Excellency had always shown yourself desirous of meeting His Majesty's wishes in respect to other questions between him and the Khedive. If this appointment was made in this manner, the Khedive would be annoyed, and the relations between Egypt and Turkey would become less friendly and your object of promoting cordiality would be frustrated.

The First Secretary said that on the last occasion when Bereket Zadé Djemaleddin Effendi was appointed, the Sultan had made the appointment without consulting the Khedive, and, as far as he recollected, the Khedive had nothing to do with the question when Abdurrahman Effendi, the predecessor of Djemaleddin Effendi, had been confirmed in office for a further period (the office being at that time for a limited period). He said that the Sultan's only reason for not appointing one of the Khedive's nominees was that they were not fitted for the post. He pointed out that to recall the man now he had started would be mortifying to the Sultan, and His Majesty would consider that such a course would be derogatory to his sovereign rights and his prerogative as Caliph.

I pointed out that the arrival in Egypt of Yahia Effendi could be delayed by his being retained at Smyrna on some excuse, which would give time for a friendly and amicable settlement of this difficulty, but if the matter was not arranged it would possibly give rise to a good deal of angry feeling which it is desirable to avoid, and the Khedive would feel that he is being submitted to public humiliation, which I was sure His Majesty did not desire. I therefore ventured again to submit to His Majesty the desirability of detaining Yahia Effendi on the road, so as to gain time, and I told the First Secretary that if he declined to submit the matter he would be responsible if any unpleasant incident occurred. He then asked me to see your Excellency first, which I accordingly did.

Having seen your Excellency I again urged Tahsin Bey to submit the matter. I added that your Excellency believed the arrangement before mentioned had been confirmed about a year ago, and if it was derogatory to the Sultan's rights to stop the man, it would be still worse if the Khedive and his Government declined to recognize him on arrival.

The Sultan replied that he had never recognized any such arrangement. If it was made in the time of Sultan Abdul Aziz and Ismail Pasha it was never confirmed by Iradé. He had no knowledge of it. He maintained his absolute right to nominate the Cadi, and as to the Khedive declining to recognize him, such a proceeding would be a violation of the Religious Law. His Majesty trusted you and Lord Cromer would use your influence with His Highness to smooth matters. His Imperial Majesty could not stop Yahia Effendi.

I learned later that it was not true that Yahia Effendi had left the preceding day. He only left by yesterday's boat at 3 o'clock.

I inclose translation of the official Decree appointing Yahia Effendi.

(Signed) ADAM BLOCK.

February 20, 1901.

Inclosure 2 in No. 8.

Extract from the "Sabah" of February 11, 1901.

(Translation.)

MAY the Almighty grant long life and glory to the Khalif!

Owing to the death of Bereketzadé Djemaleddin Effendi, who was formerly appointed Cadi of Egypt by the Holy Khalifate, the Sheikh-ul-Islamate has, according to established rules and precedents, submitted to the Sultan's sanction the appointment of a successor, and the exalted Khalifate had appointed as Cadi of Egypt Kara-Hissarli Abdurrehmin Fazilzade Yahia Effendi, a member of the Medjlis-i-tadkikat-i-shérié (High Council of the Sheikh-ul-Islamate).

No. 9.

Viscount Cromer to the Marquess of Lansdowne.—(*Received March* 11.)

(No. 19.)

My Lord, *Cairo, March* 1, 1901.

IN submitting to your Lordship my Report on the progress made in the various Administrative Departments of the Egyptian Government during the year 1900, I must offer an apology for its unusual length. Had I been writing only for the information of my own countrymen the Report could, with great advantage, have been curtailed. But it has to be borne in mind that the Reports, which for many years past I have periodically addressed to your Lordship's predecessors in office, are eventually translated into Arabic, that they are widely circulated in Egypt, and that, in respect at all events to some points in which the Egyptians take an interest, they constitute practically the only opportunity which is afforded to them in the course of the year of acquiring full and accurate information. Further, as the country progresses, the number of questions in which the population, or, in some cases, certain sections of the population, take an interest is steadily increasing. Hence, I have thought it desirable to treat a number of subjects of more or less purely local interest in considerable detail.

The affairs of the Soudan are treated in a separate despatch.

I have, &c.

(Signed) CROMER.

Inclosure 1 in No. 9.

Report by Viscount Cromer on the Progress made in the various Administrative Departments of the Egyptian Government during the year 1900.

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Accounts for 1900.

The ordinary revenue for 1900 was estimated at £ E. 10,164,000.* The Commissioners of the Debt agreed to make a grant of £ E. 216,000, in order to make good the remissions of the land tax, which were anticipated by reason of the low Nile. Thus, the total estimated revenue was £ E. 10,380,000.

The expenditure was also estimated at £ E. 10,380,000.

The Budget for the year, therefore, showed financial equilibrium.

The accounts give the following results:—

	£ E.	£ E.
Revenue—		
Ordinary	11,447,000	
Contribution from the General Reserve Fund ..	216,000	
		11,663,000
Expenditure		11,104,000
Surplus		559,000

These figures must be considered as highly satisfactory. The general result is better, to the extent of £ E. 559,000, than that anticipated at the time the Estimates were framed. In spite of the exceptionally low Nile, the ordinary revenue (£ E. 11,447,000) was larger than that of 1899 (£. E. 11,200,000) by £ E. 247,000, and I may observe that the revenue of 1899 was in excess of that of any previous year.

General Reserve Fund.

On the 31st December, 1899, a sum of £ E. 3,523,000 stood to the credit of the General Reserve Fund.

During the course of the year 1900 sums amounting to £ E. 1,104,000 were paid into the fund.

On the other hand, £ E. 1,098,000 was expended on public works of various sorts.

The balance standing to the credit of the fund on the 31st December, 1900, was, therefore, £ E. 3,529,000.

Of this amount £ E. 2,342,000 is pledged to expenditure of one sort or another, leaving an unpledged balance of £ E. 1,187,000.

Special Reserve Fund.

The Special Reserve Fund is wholly at the disposal of the Egyptian Government.

On the 31st December, 1899, making allowance for expenditure to the extent of £ E. 57,000, which had at that time been authorized but not yet incurred, the fund showed a credit balance of about £ E. 243,000.

On the 31st December, 1900, the credit balance amounted to £ E. 809,000. Of this amount about £ E. 50,000 is pledged to expenditure, which has been authorized but which has not yet been incurred.

Conversion Economies.

On the 31st December, 1899, a sum of £ E. 3,565,000, representing the conversion economies, had been invested by the Commissioners of the Debt.†

The amount invested on the 31st December, 1900, was £ E. 4,002,000.†

The fund, therefore, increased by £ E. 437,000 during the course of the year.

* £ E. 1 = 1*l.* 0*s.* 6*d.*

† This, with the exception of a small cash balance, represents the amount actually invested, not the real market value of the stocks.

*The Egyptian Debt.**

On the 31st December, 1899, the Egyptian Debt amounted to 103,049,000*l.*, of which 7,494,000*l.* was held by the Commissioners of the Debt, thus leaving 95,555,000*l.* in the hands of the public.

During the course of the year 1900, debt (Guaranteed, Domains, and Daira) was paid off to the extent of about 335,000*l.*

On the 31st December, 1900, the outstanding capital of the Debt amounted to 102,714,000*l.*, of which 7,273,000*l.* was held by the Commissioners of the Debt, leaving a balance of 95,441,000*l.* in the hands of the public.

Estimates for 1901.

It was for a long time extremely painful to those, who were in any degree responsible for the financial administration of Egypt, to recognize the urgent necessity for reform in almost every direction, and, at the same time, to be obliged to refuse the money by the employment of which alone reforms could be effected. To the many zealous officers in the various Departments of the State who have contributed so largely to the work of Egyptian regeneration, and who, without doubt, have often felt discouraged at their inability to effect improvements which appeared to them crying necessities, I can only say that it is but twenty-two years ago that a Commission of Inquiry, of which I was a member, laid down as a starting-point of their recommendations, that a whole system of government had to be created. "A présent," the Commissioners said, "presque rien existe de ce qui doit exister." It was not for some years after this was written that Egyptian reform was taken seriously in hand. Even when that moment arrived, a considerable period elapsed before the fear of national bankruptcy was shaken off. Then prominence had to be given to fiscal reform. It was not until the burthen of taxation had been sensibly relieved that any but the most pressing needs for increased Departmental expenditure could be favourably considered. To those whose acquaintance with Egyptian affairs is as long as mine, the rapidity, rather than the tardiness, with which it has been found possible to provide funds for the countless number of improvements necessary is a matter for some surprise.

It must never be forgotten that, although the Egyptians generally will acquiesce in improvements when they are once made, and will then recognize their utility, they will not unfrequently fail to see the necessity for change until its result has been fully obtained, and they will almost invariably prefer low taxation to any improvement, however desirable. In a country such as Egypt it is quite justifiable for the Government to keep somewhat in advance of public opinion; otherwise, but little progress could be made. But it is neither wise nor desirable to keep so far in advance as to adopt measures with which the public generally are not likely to sympathise for some long time to come; neither should it ever be forgotten that many portions of the old Egyptian system, which to Europeans appear glaring defects, seemed to the Egyptians themselves but at worst venial blemishes.

On each occasion, of recent years, when the Budget has been framed, those who are responsible for the financial administration of the country have had to decide on the relative claims of fiscal reform and increased expenditure for very legitimate objects. In framing the Budget for 1900 little or nothing could be done in either one direction or the other. For the moment, the effects of the exceptionally low Nile of 1899 arrested progress. The Budget of 1901 has, I am glad to say, been framed under more favourable conditions. It has been found possible to make a decided step forward both in the direction of fiscal reform and in that of providing money to the various spending Departments in order to improve the administrative system.

The navigation of the Nile has been freed, and the Prison Administration has been placed on a satisfactory footing. I propose to deal separately with each of these two subjects in a later portion of my Report.

In addition to these two measures, which are of special importance, money has been granted for various minor improvements.

In the Department of Public Instruction £ E. 700 has been granted for the creation of a Chair of Anatomy in the Medical School, and an additional subvention of £ E. 500 has been given to village schools ("kuttabs").

* These figures are in sterling, not in Egyptian pounds.

The incorporation of the Province of Assouan into the system under which the rest of Egypt is governed has involved an additional expenditure of £E. 2,900.

The budget of the Sanitary Department has been increased by £E. 5,800. Provision has been made for the appointment of European Sanitary Inspectors in Cairo, Port Saïd, and Suez, and the minimum salary of all Egyptian doctors and inspectors has been raised from £E. 72 to £E. 96 a-year.

An additional sum of £E. 1,200 has been granted to the Slave Trade Department, in order that it may more effectively cope with the traffic in slaves in the Soudan.

The budget of the Ministry of Justice has been increased by £E. 11,500, mainly in order to make provision for increasing work.

In the Public Works Department an additional credit of £E. 3,000 has been granted for cleansing the streets of Cairo, £E. 5,000 in order to permit of more rapid progress being made with the cadastral survey, and £E. 4,200 in order to enable municipalities to be created in four provincial towns, whose claims to be endowed with these institutions were warmly supported by the Legislative Council.

A sum of £E. 5,400 has been granted to the Post Office, in order to enable this Department to cope with its ever-increasing work. In addition to this, a sum of £E. 1,400 has been provided for the institution of Post Office Savings Banks.

The budget of the Ports and Lighthouses Administration has been increased by £E. 2,200.

Provision has been made for a fresh charge on account of debt, amounting to £E. 60,000, in order to cover the interest on the fresh preference stock which is about to be raised for the purpose of improving and extending the railway system.

Further details in connection with increased expenditure are given in Mr. Gorst's recently-published note on the Estimates of the year.

After making these various charges, the Estimates stand as follows :—

	£E.
Revenue	10,700,000
Expenditure	10,636,000
Surplus	64,000

The expenditure side of these Estimates includes :—

1. £E. 63,000 on account of sinking fund;
2. £E. 265,000, being the amount which will be paid to the Conversion Economies Fund; and
3. £E. 269,000, being the share of the Caisse de la Dette in the annual surplus.

The Estimates have been framed with the usual care. There is no reason to doubt that the anticipated surplus will be more than realized.

The revenue side of the Estimates includes a grant of £E. 216,000 from the General Reserve Fund. Deducting this sum, the estimated revenue for the year amounts to £E. 10,484,000.

The Soudan.

The affairs of the Soudan are, as I have already mentioned, treated in a separate despatch. Here I need only deal with the question of the charge which the occupation of the Soudan imposes on the Egyptian Treasury.

The contribution provided by the Egyptian Government to meet the charges of the Civil Administration of the Soudan has been increased from £E. 134,000, the figure of 1900, to £E. 194,000 in 1901. On the other hand, the military expenditure chargeable to the Soudan has been reduced by £E. 60,000. The total sum disbursed by the Egyptian Treasury remains, therefore, the same as in 1900, viz., £E. 417,000.

That this is a heavy charge cannot be doubted. Indeed, in my own opinion, the most remarkable feature about the reoccupation of the Soudan is the ease with which this heavy additional burthen has been borne without for a moment seriously endangering the stability of Egyptian finance. It affords, perhaps more than any other single fact, very strong proof of the great recuperative power with which Egypt has by nature been endowed.

There does not at present appear to be any immediate prospect that the charge on the Egyptian Treasury on account of the Soudan will be sensibly diminished. The advantages which Egypt gains in return for this large expenditure of money cannot be altogether expressed in figures. They are, nevertheless, very real.

The country has been relieved from the dread of Dervish invasion. All fear

of interference with the water supply, on which the prosperity of Egypt depends, is removed. Indeed, the path is prepared for inquiry as to whether, in the country formerly dominated by the Dervishes, works may not be executed which will eventually prove of the utmost service to all the inhabitants of the Nile Valley. Trade, which cannot fail to benefit Egypt generally, has sprung up, and is certainly destined to increase as time goes on. The necessity for maintaining so large an Egyptian army no longer exists. The burthen of military service has already been lightened. Lastly,—and this is an argument which, I hope and believe, appeals to Egyptians as well as to my own countrymen, who co-operated with them in the civilizing work of reconquest,—the stigma that a large tract of country, formerly under Egyptian rule, had been allowed to relapse into barbarism has been removed.

I observe, in the remarks of the Legislative Council on the Estimates for the current year, that it is stated that the Council approves of the proposed expenditure on the Soudan, as they consider that the country "forms an integral part of Egypt." That view is substantially correct. The political régime in the Soudan is, however, governed by the Convention between Great Britain and Egypt, signed on the 19th January, 1899. As it is possible that some Members of the Legislative Council may not be fully acquainted with the purport of that instrument, I take this opportunity of explaining that it was not framed with any wish or intention to curtail the legitimate rights of Egypt. The main objects of its authors were: first, to insure good government to the people of the Soudan; and, secondly, to avert from that country the special complications to which an international régime has given rise in Egypt. The Members of the Council are, I conceive, not unaware of the manifold inconveniences to which those complications are liable to lead.

I notice, also, that the Legislative Council ask that they should, for the future, be furnished with the details of the revenue and expenditure of the Soudan. There cannot, of course, be the smallest objection to complying with this request. The Soudan Estimates for the current year have, therefore, been communicated to the Council.

Nile Navigation.

There were many points in the Egyptian fiscal system under the old régime which, in principle, were very faulty, but few, I think, were so wholly incapable of justification as the heavy tolls which were imposed on the boats passing under the bridges over the Nile. It was not merely that trade was made to pay for the use of a waterway which had been provided by nature. In appearance, at all events, the grievance went further than this. However useful the bridges might be to those who passed over them, they could not fail to prove a source of embarrassment to those whose business necessitated their passing under them; for, except in the case of very small boats, the bridges formed an obstacle to traffic, which could only be removed by opening the space between two piers of each bridge at certain hours every day. Yet, under the Egyptian system, the passengers who went over the bridges paid nothing, or, in the case of railway bridges, only paid their ordinary fare, whilst those who went under the bridges, and to whom their existence was a serious cause of inconvenience, were heavily taxed.

The explanation of this anomaly was twofold. In the first place, it was far easier to collect a heavy tax from the relatively small number of boats passing under a bridge, than to take a very small sum from each of the large number of persons who passed over it. In the second place, it was feared that the abolition of the Nile dues would seriously affect the receipts of the railway, which, owing to the geographical configuration of Egypt, must obviously in many places run nearly parallel to the river. The second was the more important of these two considerations. The Nile dues were maintained, partly on account of the considerable direct revenue which they yielded, but still more as a protective measure to insure the railways against loss.

The evils of the practice heretofore adopted have, for a long time past, been fully recognized by all who were acquainted with the details of the Egyptian fiscal system. So long ago as 1885, Lord Northbrook drew attention to the point, and proposed the abolition of the dues. Until recently, however, the general situation of the Egyptian Treasury did not admit of the adoption of any thorough measure of reform.

During the last two or three years special attention has been drawn to the defects of the system. The Railway Administration found itself scarcely capable of coping with the rapidly developing trade of the country. The various Chambers of Commerce

at Alexandria, therefore, very rightly and naturally, pointed out the desirability of removing all artificial obstructions from traffic on the Nile.

In framing the Budget for 1899, therefore, the tolls on the Kasr-el-Nil Bridge at Cairo, the receipts of which were estimated at £ E. 18,000, were taken off. It was hoped that the complete abolition of the tolls would have been possible in 1900, but the exceptionally low Nile of 1899 rendered necessary a postponement of this most desirable reform.

I am glad to say that, in framing the Estimates for 1901, it has been found possible to abolish the whole of the bridge and lock dues. The total estimated loss of direct revenue is £ E. 46,000. Provision has also been made for an indirect loss of £ E. 84,000 in the shape of diminished railway receipts. Some little time must probably elapse before the full effect of river competition on the railway receipts can be ascertained, but I may say that I consider it very probable that the loss of revenue, if any, will not be considerable.

Navigation on the Nile is now, therefore, practically free. The only charge imposed on owners of boats is that they have to pay a small fee for registration. This is necessary in the interests of public security.

A great boon has thus been conferred on the agricultural and commercial communities, and a recognized blot has been removed from the fiscal system of the country.

Summary of the Financial Situation.

The financial position of the Egyptian Government on the 31st December, 1900, may be summarized as follows:—

In spite of the low Nile of 1899, the ordinary revenue of the year 1900 amounted to £ E. 11,447,000, being £ E. 247,000 in excess of any previous year.

The surplus revenue over expenditure in 1900 was £ E. 559,000.

The balance to the credit of the General Reserve Fund on the 31st December, 1900, was £ E. 3,529,000, of which £ E. 2,342,000 was pledged to expenditure of various sorts. The balance to the credit of the Special Reserve Fund, after deducting £ E. 50,000 on account of expenditure authorized, but not yet incurred, was £ E. 759,000.

The accumulated amount of economies, resulting from the conversion of the preference stock in 1889, was £ E. 4,002,000.

The capital of the Egyptian Debt was 102,714,000*l.*, of which 7,273,000*l.* was held by the Commissioners of the Debt, leaving an outstanding balance of 95,441,000*l.* in the hands of the public.

The revenue of 1901 is estimated at £ E. 10,700,000, and the expenditure at £ E. 10,636,000, thus leaving a surplus of £ E. 64,000. There is every reason to suppose that this surplus will be exceeded.

The general financial results obtained since the commencement of the British occupation in 1882, may be stated as follows:—

During the four years 1883–1886, both inclusive, the aggregate deficit amounted to £ E. 2,606,000. During the fourteen years from 1887 to 1900, both inclusive, the aggregate surplus, in spite of large reductions of taxation, heavy capital expenditure on public works, and latterly of a heavy Soudan charge, has amounted to £ E. 9,986,000.

Indebtedness of the Fellaheen.

In several previous Reports I have alluded to the steps which have of late years been taken to permit of the Egyptian fellaheen borrowing money on reasonable terms. The experiment appears to have excited a certain amount of interest outside Egypt. It has been discussed in the European press, and I have received inquiries as to the working of the Egyptian system from such opposite quarters as New Zealand and Bosnia.

At the risk of repeating much that I have said on former occasions, it may be desirable that I should explain the main features of the Egyptian scheme.

There are, broadly speaking, two methods of dealing with this problem, which, in spite of local differences, presents much the same features in all countries where a backward agricultural population is brought in contact with those modern principles on which the relations between debtor and creditor are based in all civilized countries.

The first is to protect the cultivator from the possible consequences of his own improvidence, ignorance, or carelessness by protective legislation, which is devised so that, in one form or another, his freedom of contract is curtailed.

The other is to dispense with all legislative measures of a protective character, and to seek for a solution by giving to the cultivators facilities for borrowing at reasonable rates, and thus both affording an opportunity to those who are already embarrassed of shaking themselves free from the grip of the usurer, and at the same time providing a means to those who have so far escaped financial embarrassment of maintaining themselves in a position of solvency.

I need not here discuss the merits and demerits of these two methods. It will be sufficient for my present purposes if I state that the second has been adopted in Egypt in preference to the first method.

There is nothing novel in the principle. Land Banks have for a long time past existed in many countries. Such an institution, under the name of the "Crédit Foncier," was established some years ago at Cairo. I have explained in my previous Reports that this institution, though in many respects of great utility, did not aid in the solution of the special problem now under discussion, the reason being that the minimum advance made by the "Crédit Foncier" was 100*l.*, a sum in excess of the loans usually contracted by the Egyptian peasantry.

It is in the detailed application of the principle that, so far as my knowledge of the subject enables me to judge, the Egyptian system possesses some novelty. I need hardly add that, in a matter of this sort, the details are of great importance.

Money may be advanced to the cultivators either by the Government or by a private bank.

The objections to purely Government action in Egypt are twofold. In the first place, the Government could not, without much inconvenience, have provided the necessary capital. In the second place, the officials of the Government have not the time to go amongst the villagers and seek out those who are in want of loans. Even if they had the necessary time at their disposal, it is not altogether desirable that they should be employed on work of this sort. Further, they have no personal pecuniary interest in the matter. When it has been publicly notified that, on application to some Government authority at a certain time and place, small loans may be obtained on certain conditions, the Government officials, naturally enough, think that they have done all that is required of them. In Egypt a measure of this sort would not suffice to wean the cultivators from their long-established habits. They would continue to resort to the usurer, and to borrow money at, perhaps, 40 per cent., although a notice might be posted in the village informing them that, by walking a few miles, they could, on certain conditions — which they would often fail to understand—borrow at 10 per cent. What was required was that some trustworthy agents should seek out clients, and explain to a large number individually the advantages of the plan offered for their acceptance. The Egyptian Government did, indeed, act as a pioneer in this matter. In 1896 it advanced a sum of £ E. 10,000, confining its operations to a small cluster of villages. But although the experiment proved successful, in so far as the recovery of the money was concerned (see "Egypt No. 2 (1897)," p. 5), enough was learnt to show that if the scale of operations was to be extended resort must be made to private enterprise.

On the other hand, the employment of private enterprise is not without its special disadvantages. The main obstacle, which stood in the way of its employment in Egypt, was that no Bank possessed the administrative agency necessary to insure the punctual collection of the interest and capital due on a very large number of petty loan operations. Neither, under the circumstances, could the agency have been created. It was clear at a glance that any attempt to create it would be so costly as to render it necessary to charge a very high rate of interest in order to cover the expenses and leave a fair margin of profit to the Bank. Thus, the main object of the scheme would have been frustrated.

Under these circumstances, an endeavour was made to devise a plan which would combine the advantages and obviate the disadvantages of the two systems. This was done in the following manner. The Bank incurs the whole financial responsibility of the undertaking. It takes all the profits, and bears all the losses. The Government has no direct pecuniary interest in the operations. The Bank, also, through its own agents, does all the work of lending. In every district in which operations are undertaken an agent is appointed, who receives a commission of 1 per cent. per annum on any loan that he may make. These agents are placed under the general

supervision of one English inspector (Mr. Scott Dalgleish).* I wish to draw particular attention to this latter detail, as it is an essential part of the scheme. The success, which has unquestionably been attained, is mainly due to the fact that Mr. Scott Dalgleish constantly visits the villages where operations have been undertaken. He speaks Arabic well, and thoroughly understands the habits and customs of the people. He is thus able to control the local agents, both in the interests of the Bank and of the borrowers, and he is able to explain verbally to the latter the precise nature of the transactions in which they are engaging.

It is only when the stage of repayment is reached that the Government steps in. The tax-gatherers collect the money due to the Bank at the same time as the land tax. Thus the Bank is relieved of all the expenses of collection.

Money is advanced at the rate of 10 per cent., of which, as I have already mentioned, 1 per cent. goes to the local agents in the form of commission. Of the remaining 9 per cent., it is estimated that about 3 per cent. goes in covering the expenses of the Bank, thus leaving a net profit of 6 per cent., from which, however, bad debts have to be deducted.

Such is the plan. I have now to state the nature of the results which have been so far attained.

In 1899 operations were undertaken in only one district, that of Belbeis; 2,450 advances, amounting in all to £ E. 31,500, were made.

In 1900 the Bank extended its operations to ten districts. Quite recently a further extension has taken place. The whole of Lower Egypt is now comprised in the sphere of operations. In 1900, 9,500 advances, amounting in all to £ E. 137,781, were made. Of these, 6,213, amounting to an aggregate of £ E. 36,216, were loans repayable within the year. The remaining 3,287 advances, amounting in all to £ E. 101,565, were repayable in five years. In all the latter cases the loans were made to persons already indebted, their old debts, on which very high rates of interest were charged, being paid off by the Bank. The amount that fell due in 1900 was £ E. 28,122, due from no less than 5,035 borrowers. It is with very special pleasure that I am able to record that the whole of this sum was recovered.

The Bank is now prepared to advance money in small loans up to a maximum amount of £ E. 250,000. To go further than this will require an increase of capital. I trust that eventually the conditions of the money market will permit of the capital of the Bank being increased.

Sir Elwin Palmer, the Governor of the National Bank, who has taken a very special interest in this matter, writes to me as follows:—

"The experiment so far has undoubtedly been a success, and the relief afforded to some thousands of fellaheen must have been considerable. The fact that the Bank is prepared to advance small sums at a fair rate of interest has, in the districts where the Bank is working, caused a fall in the rate usually charged by money-lenders, and the fellaheen have indirectly benefited in this way too. In one district, the largest money-lender left when the Bank began operations; in another, the Bank was regularly boycotted, and it was impossible to find an agent amongst the people of the district of any standing, they being nearly all money-lenders themselves. An outsider had, therefore, to be appointed; he had great difficulties at first, but the people of this district now begin to realize the advantages, and are dealing with the Bank."

I stated last year that I considered the scheme as an experiment. I am still of the same opinion. Some long time must, in fact, yet elapse before it can be considered as having passed out of the experimental stage. Manifestly, the main danger is that the cultivators, being once free from crushing debt, will use the margin of income they thus obtain to incur fresh debt. That some of them will adopt this procedure is highly probable. That the majority will fall into the same error is very far from being certain. Any opinion on this subject at present can be little more than a matter of conjecture. Lengthened experience alone can show whether, now that the taxes are no longer arbitrary and capricious, and the rights of property are, in fact as well as in name, secured by law, the fellaheen of Egypt will abandon the habits of extravagance of which they have so often been accused, and develop national habits of thrift. I can only speak of my personal opinion, formed after long residence in this country. It is that, under favourable conditions for the exercise of economy, the Egyptian peasant will probably prove more thrifty than the English, though less so than the French member of a corresponding class of society.

* Owing to the extension of the operations, a second English inspector has quite recently been appointed.

I am encouraged in this belief by the following remarks which have been addressed to me by Sir Elwin Palmer. "There is," he says, "nothing to indicate that the fellaheen, once relieved of their onerous debts to the money-lenders, are inclined to plunge again into debt, beyond the debt to the Bank; indeed, the facility with which the recovery of the loans or instalments has been effected would seem to show that this is not the case."

However this may be, it is abundantly clear that the experiment, which is one of great interest and importance, is well worthy of a further and prolonged trial.

Before leaving this subject, I wish to make a few remarks, which may be interesting both because they are illustrative of the practices of the village usurers, and because they may serve to explain the advantages of the conditions now offered to the villagers by the Bank.

I have occasionally heard it stated that 10 per cent. is too high a rate of interest to charge, as the fellaheen can often obtain loans at that rate from the local money-lenders.

I have already explained that, in order that these operations should be properly conducted, it is necessary to employ a somewhat expensive agency. I am convinced that there could be no greater mistake than to employ very cheap—and, therefore, untrustworthy—agents. I do not think that 6 per cent., including bad debts, can be held to be more than a reasonable profit for the Bank. Moreover, I greatly doubt whether the fellaheen would confirm the statement that they can, without the assistance of the Bank, obtain money at so low a rate as 10 per cent. Even the loans, which the small money-lenders make nominally at 10 per cent., generally involve paying in reality interest at a far higher rate, the reason being that, throughout the currency of the loan, full interest is charged on the total sum originally advanced. No allowance is made for a reduction of interest on account of the annual repayments of portions of the capital. I give an illustration of the two proceedings, viz., that adopted by the Bank, and that very commonly adopted by the usurers. Suppose the Bank to advance £ E. 100 for five years at 10 per cent. The instalments due to the Bank would be as follows:—

	Capital.	Interest.	Total.
	£ E.	£ E.	£ E.
1st year	20	10	30
2nd „	20	8	28
3rd „	20	6	26
4th „	20	4	24
5th „	20	2	22
Total	100	30	130

The borrower would thus, in the course of five years, pay £ E. 30 for the use of the money advanced to him.

Under the alternative procedure, he would pay five equal instalments of £ E. 30, making in all £ E. 150, of which £ E. 50 would be on account of interest.

In point of fact, to the fellaheen the Bank's charge of £ E. 30 is equivalent to a loan contracted from the usurer at 6 per cent., and I do not think that money is ever obtained at so low a rate as this.

The contracts with the usurers not unfrequently render it difficult for the fellah, who is already indebted, to take advantage of the terms now offered by the Bank. A common form of contract is that of a loan of £ E. 100 for ten years. The yearly instalment for repayment of capital and interest is £ E. 20. Thus, under the procedure I have explained above, in all £ E. 200 is paid in ten years. Supposing now that, in the course of two years, a fellah has paid £ E. 40, of which one-half would be interest and one-half repayment of capital. It might be supposed that, on payment of £ E. 80, he would be free from the debt. But such is not at all the case. Under the terms of the original contract, he is often debarred from freeing himself unless he pays the difference between £ E. 200—the total amount which would have been paid in ten years—and £ E. 40, being the sum he has already paid. In other words, in order to liberate himself, he has to pay £ E. 160, *minus* discount at the rate of 7 per cent. on £ E. 160. In cases of this sort the Bank can be of but little assistance.

Post Office Savings Banks.

In view of the increasing wealth of the Egyptian population, the moment appears to have arrived when it is worth while to make the experiment of establishing Post Office Savings Banks. They will, in the first instance, be opened only in the cities and large provincial towns. Should the experiment prove successful, the sphere of operations will be extended.

Deposits will be limited to £ E. 200 for each individual. Interest will be calculated at the rate of 2½ per cent. per annum. The sums deposited will be invested in Egyptian stocks. Any profit will be devoted to covering the expenses of administration. It is not probable that, in the first instance, the institution will be self-supporting.

The experience of India in connection with this matter is encouraging. Prior to 1882–83, Savings Banks existed in the three Presidency towns and at the principal Government Treasuries. The maximum amount invested was about Rx. 3,000,000.* In 1882–83 the business was taken over by the Post Office. "The decision taken to establish Savings Banks in the Post Offices was followed by a rapid change. In the first year of their existence the balances amounted to only Rx. 279,693, but the public soon indicated their preference for business with the Post Office. In 1898–99 the balances amounted to Rx. 9,428,004."†

So far as my recollection serves me, this result of the establishment of Post Office Savings Banks in India was not generally anticipated. Whether a similar success will be attained in Egypt remains to be seen. In any case the cost to the State, in the event of failure, is so small compared to the advantages which the country generally will derive in the event of success, that no hesitation need be felt in trying the experiment. A sum of £ E. 1,400 has been provided in the Estimates of the current year to cover the expenses of administration. The first Savings Banks will be opened on the 1st March.

Domains Administration.

The accounts of the Domains Administration for the year 1900 are not yet made up. It is, however, certain that they will show a surplus of about £ E. 44,000.

18,326 acres of land were sold during the year. The total sum realized was about £ E. 267,000, or 21 per cent. above the estimated values. There now remain 178,646 acres of land unsold. The estimated value of these lands is about £ E. 3,449,000 (3,535,000*l.*).

The outstanding balance of the loan, which originally amounted to 8,500,000*l.*, is about 2,898,000*l.* This figure, however, includes a sum of 417,000*l.* due on account of land sold and delivered, but of which the price is being paid in instalments. The amount of outstanding debt is, therefore, practically reduced to about 2,481,000*l.*

Under these circumstances, it seems probable that, when the whole debt is paid off, lands to the value of over a million pounds will remain in the hands of the Government.

Further experiments were made last year by the Domains Administration in cultivating Indian wheat; very favourable results were obtained. Out of a total area of 6,800 acres under wheat, 1,550 were sown with the Indian variety. The average yield was 36 bushels per acre, as compared with 28 bushels given by the native wheat. The price obtained for the Indian wheat was also slightly higher than for the native variety.

Daira Administration.

The estimated revenue and expenditure of the Daira Administration for the past year are as follows:—

	£ E.
Revenue	1,487,000
Expenditure	1,098,000
Surplus	389,000

* Rx. = Tens of rupees.

† "Financial and Commercial Statistics for British India, 1899," p. xliii.

Interest at 4 per cent. on the debt amounts to £ E. 240,000. A sum of £ E. 42,000, representing the conversion economies, has to be paid to the Commissioners of the Debt. After providing for these services, there will remain a net surplus of £ E. 107,000.

65,322 tons of sugar were manufactured during the past year. The amount realized by the sale was £ E. 689,000.

Debt to the extent of about 46,000*l.* was paid off during the year. The outstanding capital of the debt now amounts to about 6,117,000*l.*

The cash receipts from the sales of land during the year amounted to about £ E. 43,000, and there is a further sum of £ E. 77,000 to be encashed from the Wakfs Administration for the purchase of 1,200 acres, bringing the total receipts for land sold during the year to £ E. 120,000. This money is not available for administrative purposes, and can only be employed in redeeming bonds.

Crookshank Pasha writes:—

"The prospects for the year 1901 are very good, in spite of the present low prices of sugar in the American and European markets. The improvements commenced early last year in the machinery of the factories and pumping-stations were completed in time for the present sugar-crushing season (commenced the 26th December, 1900), and the results so far are very satisfactory, the percentage of sugar produced being much higher than in any previous year at the same period. Further economies have been introduced in the personnel of the Administration, and the salaries, which in 1899 amounted to £ E. 119,100, have been reduced to £ E. 74,456 in 1901. It is hoped that the net surplus for 1901 will not be less than that for 1900."

Railways.

The net earnings of the railways last year were about £ E. 1,243,000, as compared to £ E. 1,195,000 in 1899, thus showing an increase of about £ E. 48,000.

The Egyptian Railway Administration has recently been the subject of a good deal of public criticism. I am not at all surprised that such should be the case. It has frequently been pointed out, both by myself and others, that the whole system of administration is radically defective.

Major Johnstone, the President of the Railway Board, has addressed to me a very full report on the operations of his Department during the past year. I cannot in the present despatch do more than reproduce a few extracts dealing with some points of special interest.

"It may," Major Johnstone writes, "have been possible, ten or fifteen years ago, to work these railways on 45 per cent. of their gross receipts, but for several years this has only been done in appearance, partly by charging ordinary expenditure to special credits and suspense accounts, and partly by postponing necessary maintenance to such an extent that it is difficult for any one who is not intimately acquainted with the system to realise the serious position it is in. It is quite possible that we may, in the course of the next two or three years, have to close several branch lines to traffic for renewal, as rails, bridges, locomotives, carriages, and waggons are wearing out almost as rapidly as, if not more rapidly than, they can be repaired or replaced.

"Turning to the improvements effected during the year, that which has had the greatest effect is the putting into service of 200 30-ton American waggons, ordered by my predecessor. The result has exceeded my anticipations; the complaint of want of waggons has almost ceased to exist, partly, no doubt, because the demand is not at present so great as it has sometimes been at this season, and partly from improvements in other branches of the service, but mainly owing to the great addition to our carrying power, which is represented not only by the capacity of the waggons but by the fact that, owing to their extreme lightness, our goods engines can draw 20 per cent. more net load in these than in our ordinary stock. These waggons have been much criticised, and I am bound to say that they possess many minor defects, but there is a conclusive answer to all these criticisms. These very light waggons are produced by a special process, for which only two firms, one in England and one in the United States, possess the necessary appliances. The English firm lays itself out for a heavier class of work, which finds favour with English engineers; its prices are high, and, as it is extremely full of work, it is not in a position to give very quick delivery. The American firm lays itself out for a very light and cheap, while fairly serviceable, class of work, which finds favour in that country and is very rapidly produced. Unfortunately for us, the firm was undergoing a process of reorganization

at the time the order was placed; this led to a long delay in placing the work, which was then pushed through with great rapidity, a heavy fine for delay having already been incurred. Not unnaturally, under these circumstances, the workmanship shows many defects, which we have had considerable trouble in remedying, and a little too much has been sacrificed to lightness in points which are, perhaps, of small importance in the United States but of considerable importance here. These, however, are all minor matters, and are well worth sacrificing for the great gain in carrying capacity obtained in a short time and at very small cost. It will be understood from this that the waggons were ordered to meet a special exigency. They have done so successfully, and they have also given us experience which has enabled us to order a more satisfactory type for future use when the emergency alluded to is past.

"A partial revision of the time-table has resulted in a considerable improvement in the punctuality of the slow trains. The fast trains are, I am sorry to say, still unsatisfactory mainly owing to the condition of our locomotives, which are inadequate to the present traffic. Thirty-two new locomotives have arrived and are being passed into service as quickly as possible, and twenty-two more are due early this year; but, meanwhile, many of our present engines, which were furnished by cheap Belgian firms, are going to pieces from overwork and want of repairs, although, had they been well constructed in the first instance, they should have stood much harder usage than they have met with. It is necessary to order a considerable number of new locomotives at once. It is very unfortunate that this is so, as it would have been a great advantage to be able to experiment with the new types before placing a further order.

"A supply of carriages and waggons, both badly needed, has been ordered. As regards carriages, we shall require many more, but those ordered will slightly improve the situation. As regards waggons, on receipt of these we shall, I think, be in a fairly good situation until the increased exports due to the new Nile dams have time to develop. Both orders went to an Austrian firm, which sent in the lowest tender for waggons; but, as regards carriages, a British firm, the Ashbury Carriage and Waggon Works, were lowest, but struck out the clause in the specification requiring a financial guarantee for the execution of the contract. I telegraphed asking them to suggest an alternative, but this they declined to do, and I was obliged to pass over their offer. A guarantee of some kind is necessary, as it would be useless to sue for breach of contract in Egypt contractors, who have no assets within the jurisdiction of the Courts; nor, I think, could we, as a foreign State Administration, sue them in the English Courts; and it is not inequitable, as they can sue us before the Mixed Tribunals if we retain the deposit unreasonably. At the same time, I think the fine and caution-money clauses in our contracts are too severe, and am modifying them. In the meantime we are ready to accept any reasonable alternative proposed by contractors to the caution-money clause; and when we have to inflict fines they are based on the actual loss or inconvenience caused, rather than on the amount specified in the contract, which is regarded only as a maximum to be inflicted in extreme cases. Every allowance is made for legitimate causes of delay, but I have inflicted a good many fines during the year in cases in which I was satisfied that delivery had been delayed to save expense of freight, to satisfy other customers, or to obtain cheap deliveries of material. I have also dealt not more severely than seemed absolutely necessary with a case in which a contractor in England, after his tender was accepted, declared that he could not supply as he had not examined our sample (which was available for his inspection in London) before tendering, and could not supply material equal to it at the contract price.

"Thirty locomotives have been ordered during the year. It will probably be necessary to order about this number annually for some years to replace worn-out engines and meet the ordinary expansion of traffic. The American offers were in every case the most favourable, but as American firms do not make engines to our standard designs, our order for ten was given to Messrs. Neilson, Reid, and Co., of Glasgow, whose tender was lower than that of any European firm, for a design prepared by our Locomotive Engineer, which seems likely to prove very suitable for heavy passenger, and perhaps also for light, fast goods trains. It is very similar to a type introduced on the Great Western Railway some fifteen years ago, which was found unsuitable for fast express work, but is used, I am told, for express goods trains. The time of delivery is, however, so long that it is a question whether we shall not have to give another order to America before they arrive; but I understand that the firm are making special efforts to anticipate their contract date.

"Twenty engines, ordered in 1899, have been completed by a Belgian firm and

are being put into service. They are made to Mr. Trevithick's design, and have been very carefully inspected during manufacture by a competent authority; they are of a type which has been found most serviceable on the Great Western Railway for shunting and branch-line passenger traffic, and are already relieving the situation."

I annex to this Report (Inclosure 2) a Memorandum prepared by Mr. Trevithick, the Chief Mechanical Engineer of the Egyptian Railway Administration. It contains some interesting particulars as regards the relative merits of American, Belgian, and British railway plant.

Kench–Assouan Railway.

The narrow-gauge portion of this line from Luxor to Assouan was, at the beginning of 1900, in a very bad condition, owing to undue economy in maintenance, and insufficient supervision, more especially as regards the locomotive department. An English inspector was, therefore, put in charge of the line with full powers. The service is now running more punctually; improvements have been made in the carriages, and a large number of 20-ton waggons from America, of a very serviceable type, have been brought into use. It is hoped that these improvements will be followed by an increase of traffic. At present the working and maintenance of the line absorbs almost the whole of its earnings, and the annual payments to the Company have, to a great extent, to be met out of other resources. The Commissioners of the Debt have been asked to grant a credit of £ E. 90,000 to put the line into proper condition, and it is hoped that, when this has been done, it may be able to work on about 60 per cent. of its gross receipts. Considering the poor nature of the country served—which includes long stretches of desert—and the competition by river, more can scarcely be expected.

Agricultural Railways.

By the terms of the original Concession of the agricultural railways, the Government undertook to guarantee annually a net receipt of £ E. 36 per kilom., the working expenses of all kinds being fixed at 60 per cent. of the gross receipts. This guarantee was intended to represent 3 per cent. on the original cost of the lines, estimated at £ E. 1,200 per kilom. Consequently, when the agricultural railways have a gross receipt of £ E. 90 per kilom., the Government guarantee ceases to exist, as £ E. 90—£ E. 54 (representing the working expenses taken at 60 per cent. of the gross receipts)=£ E. 36. When the yearly gross receipts of the lines exceed £ E. 225 per kilom., the surplus is to be divided equally between the Government and the Companies.

After a short experience of the working of this system the Companies found that it contained several provisions which interfered seriously with the development of their lines. In the first place, the real working expenses turned out to be much higher than the estimate of 60 per cent. of the gross receipts. In the second place, the original forecast of £ E. 1,200 per kilom. for initial expenses was too low, and it became indispensable to raise fresh capital in order to complete the lines and supply the necessary plant and rolling-stock.

From another point of view, the conditions of the Concession required alteration. As soon as the gross receipt of £ E. 225 per kilom. was reached, any surplus of gross receipts had to be shared with the Government. The Companies' share would be absorbed in the additional working expenses, so that there was little or no inducement to develop the receipts beyond this figure of £ E. 225 per kilom. Under the circumstances, it was to the interest of all parties to come to some more satisfactory arrangement. The Government fully recognized the utility of the agricultural railways, and, after a lengthy consideration of the subject, decided to make such Concessions as will, it is hoped, enable them to be worked in an efficient and remunerative manner.

The changes which the Government have intimated their willingness to accept, should the shareholders so desire, consist in substituting for the former system of kilometric guarantee, which was, in practice, illusory, a real guarantee of 3 per cent. on the existing capital of the Companies, whether shares or debentures, and on any additional capital which may be raised with the assent of the Government. In return for this Concession, the Government will take half the net, not gross, receipts after the ordinary shares have received a dividend of 4 per cent. A condition precedent to the granting of these conditions is that the three existing light railway systems shall be amalgamated into one Company.

As the capital of the different Companies is represented partly by shares and partly by debentures, which latter are entitled to a higher rate of interest than 3 per cent., the sum guaranteed by the Government, or their excess receipts, whatever their amount may be, will be employed in the following manner :—

1. Annuity (including interest and sinking fund) of debentures.
2. Amortization of shares.
3. Dividend to shares with a maximum of 4 per cent., after which any surplus will be shared with the Government.

I give below a few details explanatory of the actual position of the existing lines.

924 kilom. (574·5 miles) of light railway have been laid, and are at present working.

The original Concessions were only for a total of 761 kilom. (473 miles), but the Companies have found it necessary to extend their several systems.

At the commencement of the year 1900, four light Railway Companies were working separately, viz., the Delta Light Railway, the Mansourah–Matarieh, the Eastern Light Railway, and the Fayoum Railway. In December last, the Delta and the Eastern Companies were amalgamated.

386 miles of telegraph and telephone wire have been laid in connection with these lines.

The Companies are everywhere abandoning crossing the State railways upon the level. The light lines, with a few exceptions, now cross the main lines either by a subway or by an overhead bridge. The expense of these works has been considerable, but once made, these crossings tend greatly to improve the working of the lines, and to lessen risks of accidents.

The cost of construction has been as follows :—

	£ E.	
Mansourah–Matarieh lines	2,285	per kilom.
Eastern Railway system	1,550	,,
Delta Railway system	1,093	,,

The figures for the Fayoum Railway are not yet obtainable.

The ratio of the working expenses of these lines to their gross receipts proves that, during construction, the former average from 73 per cent. to 80 per cent. of the latter.

The minimum passenger rates are low :—

	Per Mile.
Mansourah–Matarieh Company	0·4 pence.
Eastern Company	0·6 ,,
Delta Company	0·45 ,,
Fayoum Company	0·55 ,,

The number of passengers using these lines has been satisfactory, and exceeds the forecasts made.

On the first three Companies, the average is nearly 4,200 passengers per kilom. per annum.

Goods traffic, so far, has not come up to the expectations formed. It must, however, be remembered that the leads of these lines are very short, and that camel, donkey, and boat transport compete severely and successfully with the light railways. Each year, however, shows an improvement in the goods traffic. The Companies have introduced a special low rate of 0·8*d.* per ton per kilom. for transport of manure. In 1900, the Delta Company carried nearly 40,000 tons of this material. In other respects the usual rates of the Government railways are charged.

There seems to be little doubt that, in a few years time, these railways should make a fair profit, say of from 4 per cent. to 4½ per cent. on the capital invested. They only require care and good management to overcome the conservatism of the fellaheen. In the meanwhile, however, I learn with very special regret, inasmuch as the management of the undertaking is purely Egyptian, that the Fayoum Company is in an embarrassed financial position.

These lines certainly render great service to the agricultural population. There is hardly a corner in the Delta which is not fairly accessible by rail. The cost of transport of cotton and other products has been greatly diminished, and the value of land adjacent to these railways has largely increased since their construction.

Agricultural Roads.

About £ E. 48,000 was expended on new agricultural roads during the past year; 205 kilom. were added to the existing lengths.

There are now over 2,500 kilom. of these roads in Egypt.

Telegraphs.

The gross receipts of the Telegraph Department in 1900 were £ E. 65,000, as compared to £ E. 59,000 in 1899.

The expenditure was the same as in 1899, viz., £ E. 44,000. Of this amount, £ E. 4,000 was spent on the transmission of railway telegrams. The sum really expended to earn the revenue of £ E. 65,000 was therefore £ E. 40,000. These figures are sufficient to show that the service is administered with a due regard to economy.

The number of paid telegrams sent in the past two years was as follows :—

	1899.	1900.
Arabic	601,980	678,496
European	520,274	611,784
Total	1,122,254	1,290,280

The increase in 1900 over 1899 amounted, therefore, to about 168,000 messages.

The complaints received from the public were, in 1900, 1·9 per 10,000 telegrams as against 2 per 10,000 in 1899.

The system of sending "urgent triple tax" messages seems to be popular; 93,000 of such messages passed over the wires last year.

I am informed that the plantations for telegraph poles, to which I alluded in my Report for last year, are doing well.

A credit of £ E. 12,000 has been granted by the Commissioners of the Debt for the purpose of establishing trunk telephone communication between Cairo and Alexandria. The construction of this line will be commenced as soon as the necessary material is obtained.

Port of Alexandria.

There can be no doubt that much requires to be done before it can be said that the arrangements at the port of Alexandria are adequate to meet the growing trade of the country. The question is one of much interest and importance. I cannot attempt to enter into it fully in the present Report. I may, however, give the following extract from a Report recently addressed to me by Major Johnstone :—

"It is probable," he writes, "that a considerable expenditure will be necessary this year. A large extension is regarded as urgently needed by the mercantile community. It is a question whether much of this cannot be avoided by improved mechanical appliances. A first step in this direction has been taken by the erection of the coal conveyors, ordered by Major Girouard in 1899,* which will, I hope, be at work in May or June. I am informed by one of the best English makers of lifting plant that no British firm can turn out coal-handling appliances at all approaching these in rapidity and efficiency. I am studying the question of providing electric cranes and capstans on other quays, as well as that of extending the quay space. The extension previously sanctioned is practically completed, but, as a certain amount of settlement is to be expected at first, it is not as yet used to nearly its full extent."

"A powerful floating crane, capable of handling heavy weights up to 40 tons, has arrived and is being erected. It was supplied by Messrs. Fleming and Fergusson, of Glasgow."

* These came from America.

Commercial Dock.

The need of a commercial dock at Alexandria has long been felt. The Khedivial Steam-ship Company is now constructing a dock, which will be 520 feet long, 58 feet broad, and 23 feet deep. Under the terms of the contract concluded between the Egyptian Government and the Company the dock has to be finished in four years dating from the 24th April, 1900.

Lighthouses.

The revenue derived from light dues last year was about £ E. 85,000, as compared to £ E. 88,700 in 1899. There was thus a decrease of over £ E. 3,000. This is in part due to the fact that an unusually large number of vessels passing through the Canal were chartered by various Governments in connection with the operations in China, and were, under existing Regulations, exempted from paying dues.

537 vessels entered Alexandria by the new pass between the hours of sunrise and sunset. Only one accident, which, I understand, was due to negligence, occurred. In this case the vessel was speedily got off without damage. The pass was therefore not obstructed.

I may mention that last November a squall, accompanied by a very heavy sea, struck the "Daedalus" lighthouse, in the Red Sea. The jetty and petroleum store were carried away, and the foundations of the lighthouse itself were somewhat shaken. It was only at the risk of their lives that the keepers, whose names are William Bourke, Samuel Spear, and John Courts, succeeded in saving sufficient petroleum to keep the light going for eight days, after which time relief arrived.

The Reassessment of the Land Tax.

The progress of the readjustment of the land tax has been maintained during 1900 at the rate originally laid down. The work has been entirely finished in the two provinces of Sharkieh and Behera, which were the first to be taken in hand, whilst substantial progress has been made in Gharbieh, and the Commissions have started in Ghizeh. It is hoped that the work in these two provinces will be completed in the course of 1901.

At the end of 1899, the taxes of 379 villages belonging to Sharkieh and Behera had been reassessed, while in 100 more the work of the Primary Commissions had been finished, but the thirty days allowed for appeals had not expired. The remaining villages, which were finished in 1900, amount to 197, and the area assessed to 262,500 acres. In Gharbieh a beginning was made in April 1900, and at the end of the year the work had been finished in 310 villages, the area assessed being 372,163 acres. In 43 of these villages the period for appeal is still open. The total area assessed in the year in the three provinces was therefore 634,663 acres. The average rate of progress was thus over 52,000 acres per month.

The final results of the work in the two finished Moudiriehs are as follows:—

	Area imposed at Final Rates.	Present Tax.	New Tax.	Excess.
	Acres.	£ E.	£ E.	£ E.
Sharkieh	427,200	399,588	433,689	34,101
Behera	384,103	346,428	394,589	48,161

The total excess over the present assessment in the two provinces is therefore £ E. 82,262.

In accordance with Article 6 of the Decree of the 5th May, 1899, the new rates will come into force from the beginning of 1905.

The number of appeals against the work of the Commissions remains satisfactorily low. In Sharkieh, out of a total of 363 villages, appeals have been presented from 172. In Behera, appeals have been presented from 125 villages out of a total of 313. The total number of appeals was 812, of which 503 were rejected by the Appeal

Commission. In Gharbieh, out of a total of 267 villages in which the period allowed for appeal has expired, 102 only have presented appeals.

The greatest publicity has been given to the results of the work. The final figures for Behera and Sharkieh, "hod" by "hod," were published both in special supplements of the "Official Journal" and in the villages themselves. In hardly any case have complaints against these final figures been received. The work, therefore, continues with but little protest, and the attitude of the proprietors, as a whole, seems to attest the general popularity of the scheme.

Paper Currency.

The value of the notes in circulation at the end of 1900 was about £ E. 100,000, as against £ E. 60,000 at the close of 1899. But the average circulation was about the same in the two years. It is evident that a long time will elapse before the public will make use of notes to any considerable extent.

Salt.

I explained in my Report of last year that the sale of salt was about to be handed over to a private Company, and that Mr. Hooker, formerly Director-General of the Government Salt Department, had been nominated General Manager of the Company. The figures of 1898* compare with those of 1900 as follows: the revenue has risen from £ E. 194,000 to £ E. 207,000, being an increase of £ E. 13,000. The amount of salt sold has increased by 2,071 tons, namely, from 46,620 to 48,691 tons.

The operations of the Company extend from Alexandria to Wady Halfa, a distance of about 1,000 miles. It is worthy of remark that the salt revenue over the whole of this large area is collected by native agents, under the control of only four British inspectors.

Fisheries.

I have explained in my previous Reports that, prior to 1897, all the fish caught in Lake Menzaleh—the great sheet of brackish water stretching from Port Saïd to Damietta—became the property of the Government, and were sold by auction. The fishermen received 40 per cent. of the proceeds of the sales. The balance of 60 per cent. was paid into the Government Treasury. This system was thoroughly bad in principle. It was very costly, and gave rise to numerous abuses. It was accordingly abolished. A system of licensing boats engaged in fishing was substituted in its place. The costly Government establishment, which formerly existed, was swept away.

From that moment the fishing industry has begun to thrive. The number of boats, for which licences have been taken out, has increased from 937 in 1898 to 1,032 in 1899, and 1,137 in 1900. It was estimated that the original reform would involve a considerable loss of revenue, but the amount received last year was about equal to the net revenue realized prior to the change of system. During the course of 1900 the tax on one class of boats was reduced. Nevertheless, the revenue was £ E. 1,800 in excess of that of 1899.

I allude to this subject because the treatment it has received shows that, in spite of some temporary inconvenience, the substitution of a sound for a defective fiscal system will generally in the end produce satisfactory results.

* 1899 was a year of transition. The figures given above do not correspond with those in the published accounts. The reason is that, for purposes of comparison, the revenue of certain sources of salt supply, which were not included in the cession made to the Company, have been excluded. The revenue derived from these sources is about £ E. 5,000 a-year.

Trade and Customs.

The following Table shows the value of trade in 1899 and 1900:—

	1899.	1900.	Increase in 1900.
	£ E.	£ E.	£ E.
Imports	11,442,000	14,112,000	2,670,000
Exports	15,351,000	16,766,000	1,415,000
Total	26,793,000	30,878,000	4,085,000

These are the highest figures yet reached in Egypt.

The increase in the value of imports is chiefly due to the growth of trade. The other causes which have contributed to the increase are: an abnormal importation of grain, consequent on the low Nile of 1899, of which the full effects were felt in 1900; an important rise in prices and freights; and, lastly, the introduction of a better system of controlling valuations.

The only important item of decrease in 1900 is in soap. There has been a falling-off of 21 per cent. in the quantity of this article imported in 1900, as compared with the mean of the five previous years. This, without doubt, is due to the manufacture of soap in the country.

The following are the principal increases in quantities during the year 1900, as compared with the average imported during the five years ending 1899:—

		Mean of Five Years, 1895–99.	Quantities imported in 1900.	Increase in 1900.
				Per cent.
Cement	Barrels	145,500	425,400	192
Sugar	Cwts.	44,550	116,640	162
Butter	Kilog.	826,000	1,587,000	92
Oil	,,	870,000	1,647,000	89
Sesame	Tons	3,670	6,362	73
Cotton goods ..	Metres	6,724,000	11,747,000	74
Ditto	Kilog.	17,321,000	19,103,000	10
Tea	,,	102,500	167,300	63
Rice	Tons	20,711	30,408	47
Barley	,,	9,819	15,260	55
Salt meat	Kilog.	800,500	1,162,000	45

The increase in the importation of cement is due to the Assouan reservoir and other works of public utility, which are in course of construction.

The sugar imported into the country comes almost entirely from Russia and Austria; it can be sold at very cheap rates.

Sesame is used to a great extent in the preparation of sweets, of which there has been a remarkable increase of consumption during the last few years.

As regards cotton goods, there is no doubt that the general revival of trade with the Soudan accounts for part of the increase in this article.

It is noteworthy that there appears to be a considerable demand for candles in the Soudan, and also for sugar and tea. The value of the former article (candles) imported into Egypt in 1900 was £ E. 37,600, as compared with £ E. 26,900 in 1899.

The increase in barley and rice is due to increased consumption, and to a decrease in the Egyptian crop consequent on the low Nile of 1899.

A considerable increase is also noticeable in the importation of petroleum. Tanks have been erected both at Suez and at Alexandria for the purpose of importing petroleum in bulk; 9,892 tons were imported in bulk in 1900.

The value of the machinery imported shows an increase of 40 per cent. on the

average of the previous five years, and the value of worked iron and steel an average of 71 per cent. above the average of the same period. This result is to be attributed to the high market prices which have prevailed, and to an increase in the quantity imported.

The value of timber imported was £ E. 678,200 in 1900, being an increase of 5½ per cent. on the importation of 1899, and 26 per cent. above the average of the five previous years.

The following Table shows the proportion in which imports arrived from the ports of each foreign country in 1900 (calculated on values):—

	Per cent.
Great Britain (including British possessions)	45·3
Turkey	13·2
France	9·5
Austria	6·3
Italy	4·9
Rus ia	4·5
Belgium	3·6
Germany	3·6
Other countries	9·1

The value of specie imported in 1900 was £ E. 4,114,600, or 13 per cent. more than the average of the years 1895–1899. Specie exported amounted to £ E. 2,602,800, or 31 per cent. in excess of the average of the last five years.

The quantity of tobacco imported into the country in 1900 was 5,787,100 kilog., as compared with 5,294,500 kilog. in 1899. The quantity of tombac imported in 1900 was 328,400 kilog., as against 326,000 kilog. in 1899.

The quantity of tobacco exported in cigarettes amounted to 446,900 kilog. in 1900, as against 385,000 kilog. in 1899.

The stock of tobacco in bond in the Government store at Alexandria was 83,003 bales on the 31st December, 1900, compared with 77,288 bales which existed on the same date in 1899.

I may mention that the average quantity of tobacco and tombac imported into the country, after deducting tobacco exported in cigarettes, works out to 1 lb. 6 oz. per head of population. This average is considered by many to be abnormally low. The importation of tobacco is without doubt to some extent affected by the existence in the country of about 500,000 kilog. of the old native grown tobacco, which is used for mixing with the foreign tobacco in the preparation of the inferior qualities. It is to be expected that, within the next few years, all this old stock will have been exhausted.

The exports of cotton in 1900 amounted to 5,418,220 cantars,* of a value of £ E. 13,039,000, being a decrease of 19 per cent. in quantity, and an increase of 12·4 per cent. in value, on the total of 1899.

The decrease in quantity is due to the inferior crop of 1900, and the increase in value to the high prices which have ruled since the beginning of the 1900 cotton season.

Cotton seed exports show an increase of 128,600 ardebs† in quantity, and £ E. 323,100 in value on the totals of 1899. The increase in quantity is due to the fact that 52 per cent. of the good crop of 1899 was exported during 1900, and the increase in value is due to better prices.

The exports of onions amounted to only £ E. 152,800, being a decrease of 33 per cent. on 1899. This large decrease is owing to the low Nile of 1899, in consequence of which considerable areas adjacent to the river, which are usually planted in onions, were left unirrigated.

A falling off of £ E. 575,500, or 13 per cent., in sugar exports, and £ E. 205,000, or 51 per cent. in beans is also to be attributed to the low Nile of 1899.

On the other hand, an important increase is noticeable in the egg industry. The number of eggs exported in 1900 was 77,650,000, compared with 39,761,000 in the previous year.

Gum arabic to the value of £ E. 93,800 was exported in 1900, against £ E. 30,600 in 1899. This increase is due to the revival of trade in the Soudan.

* 1 cantar = 99 lbs.

† 1 ardeb = 5·5 bushels.

The following Table shows in what proportion the exports were shipped to the ports of different countries in 1900 (calculated in values):—

	Per cent.
Great Britain and British possessions	55·7
France	8·5
Russia	7·2
America	6·2
Germany	5·3
Austria	3·8
Italy	3·6
Turkey	1·7
Belgium	0·7
Other countries	7·3

The following Table gives a comparison of the Customs receipts in 1899 and 1900:—

	1899.	1900	Increase in 1900.
	£ E.	£ E.	£ E.
Imports	865,955	1,081,097	215,142
Exports	149,444	164,114	14,670
Tobacco, tombac, and cigars	1,068,282*	1,159,881*	91,599
Miscellaneous receipts	9,098	12,883	3,785
Total	2,092,779	2,417,975	325,196

It will be observed that the receipts for 1900 are largely in excess of those of the previous year.

Post Office.

The revenue and expenditure of the Post Office during the last two years is shown in the following Table:—

	1899.	1900.
	£ E.	£ E.
Receipts	129,874	135,000
Expenditure	108,096	108,293
Net revenue	21,778	26,707

It will thus be seen that in 1900 the revenue increased by about £ E. 5,000, whilst the expenditure was almost the same as in 1899.

Some minor reforms of a useful character were made during the year.

The postage on parcels not weighing more than 3 kilog. (7 lbs.) was reduced from 50 millièmes (1*s.*) to 40 millièmes (1 fr.). The premium on insured letters and parcels was reduced by 50 per cent. A parcel service was established with the United States of America.

It is now ten years since some very large reductions were made in the Egyptian postal rates. Sufficient time has, therefore, elapsed to enable an opinion to be formed as to the results obtained by those reductions. They are somewhat remarkable. The number of letters carried by the Post Office has increased from 7,783,000 in 1889 to 15,579,000 in 1899. The number of post-offices has increased from 393 to 887. The value of the money-orders sent through the Post Office has grown from £ E. 1,212,000 to £ E. 2,334,000. The average net receipts of the Post Office for the five years 1885–89 was £ E. 25,000. I have already stated that in 1900 the net receipts amounted to about £ E. 26,700. The large increase of business has, therefore, more than compensated for the reductions in the rates.

* Net receipts, after deducting £ E. 37,613 for drawback on cigarettes in 1899, and £ E. 42,665 in 1900.

The Administration of the Wakfs.

The accounts of the Wakfs Administration for the past year show approximately the following results:—

	£ E.
Revenue	230,000
Expenditure	190,000
Surplus	40,000

On the 31st December, 1900, a balance of about £ E. 148,000 stood to the credit of the Reserve Fund.

During the last four years, £ E. 47,000 has been spent on building and repairing mosques and £ E. 6,000 on sanitation. I may mention also that the Tourah Home for old and destitute persons, which was formerly in a disgraceful condition, has been rebuilt at a cost of £ E. 6,500.

During the last four years the annual grants made for the maintenance of mosques, for schools, and for the relief of distress amongst the poor—all purposes for which the endowments were originally created—have been increased by about £ E. 22,000.

One of the worst evils of the old system of administration was that beneficiaries of trusts found the greatest difficulty in obtaining the money due to them. I am glad to learn that an effective remedy has been applied to this evil.

Harari Pasha, the Accountant-General of the Egyptian Government, to whose efforts the improvements effected of late years are mainly due, writes to me:—

"On the whole, the year 1900 has been marked by another move in the direction of progress, and I hope that the day will come when the reforms gradually introduced into the administration of the Wakfs will produce the beneficial results expected from them. It is a question of perseverance and time, as long-standing abuses cannot suddenly be eradicated, especially with the peculiar conditions under which the administration of the Wakfs has to be worked."

Irrigation.

The Memorandum on irrigation which Sir William Garstin has sent to me, is so interesting that I think the best course I can adopt is to incorporate it textually into the present Report. I wish, however, to supplement Sir William Garstin's observations by a few remarks of my own.

It would, of course, be an exaggeration to say that the present relatively prosperous condition of Egypt is wholly due to any one circumstance, or to the efforts of any one of the services in whose hands the administration of the country has been of recent years vested. At the same time, it is abundantly clear that reform in almost every direction has been a question of money. I have no hesitation in saying that had it not been for the labours of the eminent hydraulic engineers, who for the last seventeen years have placed their services at the disposal of the Egyptian Government, the most skilful financial guidance would not have availed both to place the Egyptian Treasury in a position of assured solvency and to meet, in any adequate degree, the constant demands which are the necessary accompaniments of a policy of reform. The seed from which the present material prosperity of Egypt has grown may, indeed, be said to have been planted in 1884. In that year, in spite of the grave financial embarrassments of the moment, a capital sum of 1,000,000*l.* was placed at the disposal of the Irrigation Department. Since then, the work of improvement has never ceased, but the value of the services, which the officers of that Department have rendered to the country, has, perhaps, never been more fully exemplified than in the course of last year, when, in spite of the lowest Nile of which any record exists, the cotton crop was not merely saved but also treated in so skilful a manner as to give a yield, which but a few years ago would have been considered impossible even when the flood was most abundant. It is satisfactory to know that the remarkable services rendered by Sir William Garstin and those serving under him have been adequately recognized by the Corporation which more especially represents the interests of those engaged in the Egyptian cotton trade. I may add that, from all I have heard, I am led to believe that those services are no less cordially recognized by the landowners

and cultivators in every class of society. The most ignorant peasant in this country understands the value of water, and is grateful to those who pour it abundantly on his fields. During last spring, when cotton speculation was rife, and the most alarming accounts were current as to the prospects of the crop, it was pleasant to hear of the touching confidence which, as I was frequently told, was expressed by the small cultivators throughout the country, that the British engineers would pull them through the crisis and save them from destitution and possibly from starvation.

I have one further remark to make. Little as I am acquainted with the transactions of the Exchanges of Cairo and Alexandria, I learnt enough last spring to be aware that the most reckless speculation was taking place, with the natural result that some persons were ruined and many others seriously embarrassed. I well remember, during the earlier years of my residence in Egypt, how the population of the two principal towns was demoralized by gambling in Egyptian stocks. It appeared about a year ago as if a similar state of demoralization would ensue from speculation in cotton. Every class of society was infected. I am informed that many employés of the Egyptian Government engaged in speculation, and that amongst these were some to whom the loss of a small sum of money meant ruin, or—a consideration which, from the point of view of the public interests, is of much importance—the creation of a strong temptation to recoup their losses by illicit means. The wildest rumours were current as to the condition of the Nile, and numerous prophecies, almost all of which were of little or no value, were made as to the future levels to which the river would rise or fall and as to the ultimate yield of the cotton crop. Any trifling change, which in the eyes of an experienced hydraulic engineer was devoid of importance, was seized on with avidity, and its effects exaggerated or depreciated with a view to producing a momentary effect on the price of cotton.

I cannot flatter myself that anything I can say will prevent a recurrence of this state of things. The inveterate gambler will, I conceive, continue to gamble in spite of any warnings which may be addressed to him. Nevertheless, I have lived for so many years amongst the Egyptians, and I sympathise with them so deeply, that I cannot refrain from doing my best to discourage a practice which I believe may be very hurtful to a large number of them. I think I understand something of Egyptian national characteristics. Unless I am much mistaken in my estimate of those characteristics, the majority of Egyptians when brought into competition with the very keen intelligence of those Europeans who habitually operate on the Stock Exchange are far more likely to lose than to gain. I shall be well satisfied if any words of warning which I can utter may deter however small a number of Egyptians from bringing on themselves and their families the ruin which must, in some cases, inevitably ensue should they engage in operations with which they are very imperfectly acquainted, and for the successful conduct of which I believe the large majority to be singularly unsuited.

Guided by these considerations, I wish to state as publicly as possible that there are probably not half-a-dozen people living who possess a sufficiently accurate knowledge of the facts to form an opinion of any value as to the behaviour, in any particular year, of the river on which the prosperity of Egypt depends, and who, at the same time, have acquired the very high standard of technical knowledge requisite before any correct inferences can be drawn from the facts when they are known. Further, the small number of persons who possess this very unusual combination of knowledge and skill would themselves be the first to recognize that, with all their knowledge and with all their skill, any forecasts they may make are liable to error, and they will display a mistrust in their own judgment which contrasts singularly with the confidence of many who are less capable of forming a valuable opinion.

It is hoped that the Assouan and Assiout dams will be finished before the flood of 1902. The summer supply of water for Lower and part of Upper Egypt will then be assured, with the result that one main element of uncertainty will be eliminated from the calculations of the speculators. As regards the intervening year (1901), the river appears to be following the levels of the year 1877, which was one of low flood. The gauges are at present (22nd January) higher than they were at the same period in 1900. The officers of the Irrigation Department saved the cotton crop of 1900. In spite of somewhat unfavourable conditions, I see no reason to doubt that they will be equally successful in 1901.

I should wish to add that it is difficult, in dealing with this matter, to decide what facts, and, still more, what appreciations of the future, should, or should not be authoritatively published. If anything is said, a risk is run that, for purposes of speculation, some chance expression may be given an interpretation which it was

never intended to bear. If nothing is said, it is not unfrequently imagined that some important facts are concealed, or it may be, that reports, in which some small portion of truth is mixed with a large amount of error, are circulated and obtain a certain degree of credence. Perhaps the latter is the greater evil of the two. I have, therefore, decided to include in the present Report the remarks which Sir William Garstin makes about the continuous fall in the level of Lake Victoria Nyanza. I do so, not because I see any cause for serious anxiety in the facts elicited by Sir William Garstin, but rather because incorrect rumours in connection with the level of the Lake may, not improbably, be circulated, and it is, therefore, desirable, that the public should be placed in possession of all the ascertained facts of the situation. I deprecate any inferences being drawn from Sir William Garstin's language outside the strict limits of those which he has stated in his own words.

With these preliminary remarks, I give the following extracts from Sir William Garstin's Memorandum.

"*The Nile Supply.*

"The anxiety which prevailed throughout Egypt regarding the Nile at the end of the year 1899 proved to have been fully justified, as the summer supply of 1900 was the lowest of any respecting which records exist.

"This was not to be wondered at, if the exceptionally low flood which preceded it is taken into consideration. As a rule, a low flood in one year means a low summer supply in the year following. Thus, in recent times, the years 1877 and 1888 were marked by a failure of the Nile flood. In the years 1878 and 1889, the summer supply in the river was exceptionally poor. As, however, the flood of 1899 was lower than that of either 1877 or 1888, so again the summer supply of 1900 was poorer than that of either 1878 or 1889.

"The following are the lowest gauges recorded at Assouan for the three years in question:—

Year.	Lowest Gauge at Assouan.		
	Pics.	Kirats.	Height in Metres above Sea Level.
1878	+ 0	6	R.L. 84·29*
1889	+ 0	11	„ 84·40
1900	− 0	4	„ 84·07

"It will be seen from the above that, in 1900, the water fell below the zero of the old Assouan gauge, and the level is recorded as a minus quantity. It was 0·47 metre lower than the lowest gauge in 1889, and 0·10 metre lower than that of 1878.

"The lowest gauge of R.L. 84·07, was registered on the 15th, 16th, and 26th May, and was nearly 1 metre below the average of the lowest mean gauge of twenty years.

"The flood rose rapidly at first and promised to be a good one. During September, however, it fell very much below the average, and remained so until the end of the year.

"The state of the river naturally threw a great strain upon the resources of the Irrigation Service, more particularly in Lower Egypt, and very special measures were necessitated in order to save the valuable cotton crop.

"Temporary earthen dams were made in both the Rosetta and Damietta branches of the river, in order to prevent the ingress of salt water from the sea.

"Special programmes for canal rotations were prepared, the intervals becoming longer and more severe as the river fell and the demand for water increased. Landowners were warned not to sow rice, and were informed that the water available would be devoted to the irrigation of cotton, with a view to saving the maximum area possible of that crop. The heads of the main canals taking off up-stream of the

* R. L. stands for "Reduced Level." These figures indicate the height above the mean sea-level at Alexandria.

barrage were carefully regulated so as to secure the equitable adjustment of the available water to the land to be irrigated.

"A special Khedivial Decree was published, prohibiting the sowing of the maize crop until such date as the Minister of Public Works should decide that it could be permitted without detriment to the cotton crop.

"The Atfeh pumps on the Rosetta branch were worked continuously from the 15th May to the 16th August, and on the east bank of that branch a temporary pumping-station was erected at Kibrit; these last pumps were kept at work from the 19th June to the 29th July.

"Lastly, a large temporary staff was appointed, whose sole duties were to see that the regulations, as regards rotations and the stoppage of engines, were rigorously enforced.

"The measures described above were successful and the cotton crop was saved.

"The Alexandria General Produce Association estimates it at 5¼ million kantars, and it is generally allowed that it would have been considerably larger had it not been for an unusually cold spell of weather, accompanied by fogs, in September, which seriously reduced the yield. In spite of the postponement of the date of sowing, the maize crop of 1900 was also good. The rice crop was a failure, but this was inevitable as the water was insufficient for both the cotton and the rice. The former being by far the more valuable crop, it was preserved at the expense of the latter, but the proprietors of rice lands largely compensated themselves by planting a fairly large area with cotton.

"The following shows the yield of the cotton crop in each of the three last years of exceptionally low supply:—

	Kantars.
1878	1,684,000
1889	3,200,000
1900	5,250,000

"This last figure, as has been stated, is merely an estimate, as the entire crop has not been brought in. It has already been shown that the river in 1900 was nearly half-a-metre lower than it was in 1899, and was even lower than in 1878.

"The strain on the entire irrigation staff was very great. It is satisfactory to relate that their efforts were most loyally seconded by the district officials, one and all, and that the people, as a whole, showed a greater respect for the regulations laid down than they had ever done before. An innovation, which worked well, was introduced. This consisted in making each village Omdeh responsible that unauthorized sowings of maize did not take place within the area of land under his charge.

"Both the Alexandria General Produce Association and the British Chamber of Commerce in Egypt acknowledged the success of the measures taken, in the shape of letters of thanks to the Irrigation Service.

"The high prices obtainable for cotton in the latter months of 1900 more than recouped landowners for the diminution in the yield.

"*Canal Rotations.*

"The programmes were drawn up in such a way that the intervals between waterings became longer as the supply of water became shorter.

"The period during which the pumps in any section were allowed to work was six days, and this remained constant in all the programmes.

"The intervals between working, however, varied as the river fell. Commencing with twelve days, they eventually reached twenty-two days. In other words, the rotations allowed, at first, one watering in eighteen days, and afterwards one in twenty-eight days. There is no doubt that this last period was very severe, and such a measure could not have been warranted except by the exceptional nature of the season. Nothing else could possibly have saved the crop. The people recognized this fact and rarely attempted breaches of the regulations.

"*Lake Victoria Nyanza Gauges.*

"Information regarding the daily rainfall and the lake levels is now regularly received in Egypt from Uganda. The first series of registers, previous to the

rebellion, dates from the 1st June, 1896, to the 31st July, 1897. The second series commences on the 1st September, 1898, and has been carried on to the 31st October, 1900. Unfortunately it is impossible to connect the two series, as the gauges erected subsequent to the rebellion are not the same as those which formerly existed. We have, therefore, only twenty-six months of observations upon which to base possible theories. This is not sufficient, more especially as we are still ignorant of many important factors bearing upon the relations of the levels and rainfall of the equatorial lakes with the Nile supply. Information regarding the most important point of all, viz., the Albert Nyanza Lake, is still entirely wanting. This is much to be regretted, as this lake, which drains an enormous catchment area, and through the northern end of which passes the water coming from the Victoria Lake, is probably the most important of the reservoirs which feed the White Nile. It is to be hoped that early measures may be taken to erect gauges upon the Albert Lake and to observe them regularly. The records thus obtained would be invaluable to Egypt.

"The following facts, elicited from the rather meagre information at our disposal, may perhaps be of general interest:—

"Two observing stations now exist on the Victoria Lake, one on either side, viz., at Port Alice or Entebbe and at Port Victoria or Ugowe. Unfortunately, the rainfall register for Entebbe only commences from the month of April 1900, so a comparison between the two for the whole year is impossible.

"The Ugowe rain gauge record shows that 46·28 inches of rain fell in the twelve months ending with October 1900, that there were 131 rainy days, and that the storms invariably took place either in the afternoon or at night. Further, that February was the wettest month of the year, and July the driest, 6·45 inches being registered for the former, and 1·56 inches for the latter. It would also appear that the period of the heaviest rainfall is from November to May. The total rainfall for the six months in question was 30·73 inches, the remaining six months being responsible for only 15·55 inches.

"The rainfall at Entebbe, on the opposite side of the lake, was, so far as the records go, considerably heavier than at Ugowe. The total fall between April and November 1900 was 30·39 inches at the former place, as against 20·59 inches at the latter.

"As regards the rise and fall of the water surface of the lake it is possible to make a comparison, as registers have been supplied regularly from both stations. A study of the readings gives the following results:—

"From the 1st January, 1896, to the 31st July, 1897, the range of variation in the lake levels was 1 ft. 7 in.

"The lowest level recorded was in October 1896, and the highest in January 1896.

"After the disturbances which took place in Uganda, the readings recommenced in 1898, and from the 1st September of that year to the 31st October, 1900, the range of variation was 2 ft. 1 in. at Entebbe and 2 ft. 7 in. at Ugowe. The lowest level reached was in October 1900, the highest in December 1898.

"These records, as far as they go, seem to prove that the lake is always at its lowest in October, *i.e.*, at the end of the dry season, and at its highest in December or January.

"They also show that the lake level has been steadily falling for the last three years, thus:—

	Port Alice (Entebbe).	Port Victoria (Ugowe).
	Ft. in.	Ft. in.
Lake levels on October 1, 1898	3 2	3 2½
" " 1899	2 6½	2 2
" " 1900	1 7	1 1

"It is possible that this fall in the levels may be, in some measure, due to degradation of the bed of the river in the channel whence it issues from the lake; but it seems to be far more probable that it has been caused by a failure of the rainfall over an immense area. All reports go to show, and all travellers who have visited

these regions relate, that a severe drought has prevailed over a large portion of Central Africa during the last two years. This drought has extended as far north as the Egyptian Soudan.

"Although it may seem likely that the Nile flood of 1901 will be a poor one if these figures are correct, it would be misleading to attempt to draw any definite conclusions from them. The register of the rainfall only dates from a very recent period, and consequently no comparison can be made with the fall of previous years. Again, the available knowledge of the many factors, which together combine to produce the annual rise of the White Nile, is at present extremely scanty.

"Lastly, as has been already stated, the Albert Nyanza Lake must exercise a most important influence upon the volume of the river, but no attempt has as yet been made to collect information regarding it. It is most desirable that a regular register of its levels and its rainfall should be commenced and maintained as soon as possible.

"*Nile Gauges in the Soudan.*

"Nile gauges have been erected and registers are now kept at Rosaires and Senaar on the Blue Nile. A gauge is also read at Nasser on the Sobat. The Blue Nile gauges, with those of Khartoum and Berber, are telegraphed only to Cairo during the flood season, and the information thus obtained is of much assistance to the Irrigation Service in preparing a forecast of the height to which the river is likely to rise in Egypt.

"*The Sudd in the Bahr-el-Gebel.*

"The removal of the greater portion of this obstacle was successfully accomplished in 1900, and through navigation was restored between Khartoum and Rejaf on the Upper Nile.

"Major Peake's sudd-cutting party started from Khartoum on the 16th December, 1899, and by the 27th March had succeeded in opening up the Bahr-el-Gebel, having removed, in all, fourteen blocks of sudd. Some of these blocks were, in places, a mile in length and from 15 to 20 ft. in thickness. The surface of the river channel was completely closed, and the stream passed underneath the sudd with a high velocity. A visit to the work changed many preconceived ideas as to the nature of the obstruction. Instead of the sudd being, as had been supposed, a tangle of weed floating on the water and descending a few feet below the surface, it proved, in most cases, to be a mass of decayed vegetation, papyrus roots and earth, much resembling peat in its consistency, and compressed into such solidity by the force of the current that men could walk over it everywhere, and even elephants could, in places, cross it without danger. The most effectual method of removing it was found to be by cutting deep trenches on the surface, thus dividing it into rectangular blocks of some 10 feet square. These were hauled out, block by block, by means of chains and wire hawsers attached to the gun-boats.

"The amount of work done by Major Peake and his staff was astonishing, more especially when the unhealthiness of the climate, the remoteness of the locality and the difficulty of obtaining supplies, are taken into account.

"Two portions of the Bahr-el-Gebel still remain uncleared. The one commences at 140 miles south of Lake No, and is some 25 miles in length. The other is some 52 miles further south and is about 3 miles long. In both instances the true channel of the river is blocked by sudd, and it now follows a false channel; in the former instance it passes through a series of broad shallow lakes. As the season was far advanced, and as the annual rains had commenced when these two points were reached by Major Peake's party, and as, moreover, through navigation had been secured, we decided not to attempt the clearance of these portions of the channel in 1900, but to reserve them for another season's work. Throughout last year, neither of these places caused any serious obstacle to navigation. The river, however, got blocked again occasionally in the northern reaches at certain spots where the sudd had been removed. The block known as No. 10, 70 miles south of Lake No, closed in more than once. This is probably the most dangerous point on the whole length of the Bahr-el-Gebel. On the 10th April, on our return journey, we were stopped here by finding the river completely closed. The length of the block was over 500 yards, and its thickness at

the down-stream end 15 feet. It took three days continuous working before the imprisoned steamers could pass through, and had it not been for the presence of a gun-boat down-stream of the block they might have been detained much longer, as it is practically impossible to remove a block from its up-stream end. Again, on the 10th May, the river was closed here, this time taking thirty-two days to reopen.

"On the 22nd August, the same thing happened at the same place, and navigation was closed for four days.

"Continual inspection and patrolling will be necessary in this channel, more especially at the beginning and end of the rainy season, when storms are prevalent.

"As regards effectual remedies, *i.e.*, the permanent prevention of future blocking of the channel, the matter requires very serious study and a far closer knowledge of the river channel and the flood discharges than it has, as yet, been possible to obtain.

"It would be premature, at present, to make any suggestion. It is proposed, however, next year to try an experiment of piling the sides of the channel at some of the worst points.

"The total expenditure charged to sudd-cutting, and paid to the Soudan Administration by the Ministry of Public Works, was £ E. 10,012. The principal items in the bill were rations, gratuities, pay of staff, and stores.

"The question of the actual benefits realized in Egypt by the cutting of the sudd last year is one upon which it is difficult to give a decided opinion. Undoubtedly, as each block in the channel was removed, the level of the adjoining marshes was lowered and they drained into the river, discharging this water into the White Nile. The gauge erected at the Base Camp, down-stream of the work, showed this fact plainly, as the water-level rose with the removal of each obstruction.

"For the first few weeks, these rises were only temporary, and the level of the river fell again as soon as each marsh had drained off its water. Eventually, however, the rise became steady, but how much of it was caused by the regular annual rise of the river, due to the rains in the south, and how much to the sudd-cutting, it is impossible, with the scanty information available, to ascertain. Again, how much of this water reached Khartoum, and how much was lost and evaporated in the wide and shallow trench of the White Nile, is a problem which it is very difficult to solve.

"Although the first block of sudd was cleared by the 4th January, and the whole fourteen were removed by the 27th March, the fluctuations continued up to the 17th of that month. From this last date, the gauge registered a steady and continuous rise, but the gauge at Khartoum continued to fall steadily until the 30th March.

"Throughout April, the river at Khartoum rose and fell alternately, showing a total rise of only 0·06 metre by the end of that month. From the 1st May, the rise of the river was continuous at Khartoum, and the closure of the Bahr-el-Gebel for thirty-two days from the 10th May appears to have had no effect whatever upon it. Previous to the 17th March it would appear, therefore, that the extra water coming in from the marshes had no effect upon the levels at Khartoum, and even up to the end of April the rise was insignificant. At the same time it must be remembered that the Khartoum gauge is affected by the Blue Nile levels as well as by those of the White Nile.

"My own opinion, from personal observation of the sudd, is that its removal undoubtedly checked the fall in the river levels, which would otherwise have taken place owing to the extra supply brought down by the removal of each successive block.

"That it did more than this I doubt, for the reason that the small amounts added to the volume were lost in the large trough of the river, which had to be filled to a certain extent before any appreciable difference in the discharge at Khartoum could be felt. At the same time, this check to the fall was an undoubted benefit to Egypt, and one that was well worth the expenditure incurred, had no other results ensued.

"When to the above we add the advantage gained to the Soudan by free water communication throughout the river provinces it must, I think, be admitted that the expenditure was amply justified by the results obtained"

Sharaki Lands.

I alluded in my Report of last year to an innovation which had been made in respect to the levy of the land tax on what is locally known as "Sharaki" land, that is to say, land which, under normal conditions as regards the supply of water, is cultivated, but which, when the Nile is unusually low, remains unirrigated and, therefore, uncultivated.

I need make no apology for dealing with this matter at some little length. In all Oriental countries the land tax is the main source of revenue. Any innovation which touches the principles on which it is collected is, therefore, a matter of more than local interest.

Speaking very broadly, and without any pretension to embrace detail in the generalization, it may be said that the western principle, on which the collection of the land tax is based, is that a moderate and fixed demand is made on the cultivator. He is not expected to pay more in very good than in moderate or bad years. On the other hand, save possibly under very exceptional circumstances, the whole or partial failure of his crop in bad years is not considered a sufficient plea for the non-payment of taxes.

The Oriental principle is altogether different. Whatever may have been the theory, in practice the tax collector not unfrequently took, either on his own account or on account of the Government which he served, as much as he could get. In a good year the cultivator, after satisfying the demands of the Government, was often left with a bare pittance. On the other hand, Oriental Governments, as also, I believe, the Government of ancient Rome, recognized that, in a case of *vis major*, the partial, or even the total, remission of the Government demand was imposed by the necessities of the case. Legal expropriation for non-payment of taxes is, to the best of my belief, an entirely modern idea. The tax, which was almost always excessive in amount, was, in fact, allowed to vary according to the circumstances of the year.

The western system is just, logical, and rigid. The eastern is unjust, capricious, and economically unsound; but it has the merit of being elastic. It is questionable which the Oriental cultivator, who is the party principally concerned, really prefers—the justice and rigidity of the one system, or the injustice and elasticity of the other. It has always been a never-ending source of difficulty to European administrators and financiers in eastern countries to devise some plan which shall in some degree combine the advantages and, at the same time, obviate the disadvantages of these two apparently irreconcilable systems.

In Egypt, ancient custom has so far been very wisely preserved as to exempt Sharaki land from taxation; but until last year it has been the rule that, provided the land was cultivated, the tax was not remitted whatever the special circumstances might be, and whatever expenses the proprietor might have incurred. The only concession made was that land, which was usually irrigated by flood but which in any particular year had to be irrigated by lift, was charged half the tax for that year. The result of this system was that when a proprietor did not receive the usual supply of water he was discouraged from making any attempt to cultivate the land by other means. As it often happened that the tax, or half tax as the case might be, absorbed almost all his profits, he naturally preferred to abandon the land for the year and to seek employment elsewhere.

In 1899–1900 a new departure was made. The Government notified to the public that, in the case of lands which had not been inundated owing to the failure of the flood, no tax would be levied if a crop were raised by means of well irrigation.

The measure appears to have been met with a very fair amount of success: 44,192 acres of cultivated land were exempted from taxation. As most of this land was in small holdings, the relief to the poorest classes of cultivators must have been considerable. The amount of tax which would have been payable on this acreage was about £ E. 15,000, but the Government cannot be said to have lost this amount of revenue, for if the land had not been exempted from taxation most of it would not have been cultivated at all, and, therefore, no land tax would have been payable. In fact, the arrangement constitutes an almost unique example of a fiscal measure, which benefits a certain number of tax-payers and causes no loss whatever to the Government Treasury. It is extremely popular, and will in future be incorporated into the permanent fiscal system of the country.

Before leaving this subject it may be interesting that I should give the amount of Sharaki land for those years within recent times when the Nile has been exceptionally low:—

Year.	Whole Sharaki.	Half Sharaki.	Tax remitted.
	Acres.	Acres.	£ E.
1878	800,000	..	802,000
1888	279,600	109,800	342,537
1891	7,830	203	6,532
1893	7,059	2,041	6,369
1897	13,704	3,449	11,564
1899	240,119*	81,394	203,098

1899 was, from the point of view of the failure of the flood, a worse year than 1878; but it will be seen that in 1899 only 240,119 acres of land remained wholly, and 81,394 acres partially without water, as compared to 800,000 unirrigated acres in 1878. The loss of revenue was only about £ E. 203,000 in 1899 as compared to £ E. 802,000 in 1878. These figures are very remarkable. In dealing with the general question of the increase of the productive powers of the country, it is not easy to state precisely how much is due to recent improvements in the system of irrigation and how much to other causes. In the particular case now under discussion no such doubts can arise. The great decrease in the area of unirrigated land in years when the Nile flood is a failure is wholly due to the persistent and skilful exertions of the irrigation officers of the Public Works Department, and to no other cause.

The Nile Reservoirs.

Sir William Garstin writes as follows:—

"If the low Nile was prejudicial to the interests of Egyptian agriculture, it was, on the other hand, most favourable to the execution of the works at Assouan and Assiout.

"Excellent progress was made upon both works; so much so, that it may be confidently hoped that, should no unforeseen accident or delay occur, both works will be completed and ready for the flood of 1902, or one year earlier than was anticipated or allowed for by the contract.

"The principal work done during the year at Assouan was the construction of the foundations of the dam in the three branches known as the Bab-el-Kebir, the Bab-el-Soghair, and the Bab-el-Haroun. Temporary stone dams were made round each of these openings and the water was pumped out. This was successfully accomplished although, in all three, the rock below the surface was found to be of inferior quality, and an excessive depth of excavation was thereby necessitated. In the Bab-el-Kebir and the Bab-el-Soghair respectively, it was found necessary to carry the foundations of the dam to 49 ft. 5 in. and 36 ft. 3 in. below the surface of the cataract, or nearly 40 feet and 30 feet deeper than had been estimated.

"The total length of the Assouan dam is 2,000 metres. By the end of 1900 the foundations had been laid for a length of 1,700 metres. The average height of the masonry completed over this length is 4 metres above low-water level.

"Good progress was made with the undersluices. Out of a total of 180, 130 were in progress in 1900, 20 of these being lined with cast iron.

"The only foundation now remaining to be done, on the actual line of the dam, is that in the west channel of the river. The foundations and part of the side walls of two of the locks were completed in 1900. The foundations in the first lock turned out badly and necessitated much extra excavation of the rock.

"The total amount of masonry executed during the year was 150,000 cubic metres; 50,000 cubic metres of rock were excavated.

"The value of permanent work executed up to date at Assouan is £ E. 1,000,000, of which £ E. 650,000 was done in 1900. Advances to the amount of £ E. 440,000 have been made to the contractors for preliminary works, materials, plant, &c.

* Exclusive of 16,178 acres of Government land, the rent of which had to be reduced or remitted.

"The average number of men employed upon this work was as follows :—

	1,114
Europeans	7,026
Natives	
Total	8,140

"Excellent progress was made at Assiout in 1900.

"The total length of the barrage, when completed, will be 833 metres. The foundations were laid on a length of 240 metres; those of the lock were also completed in 1899.

"In 1900, a length of 452 metres of floor was completed. The piers of sixty-one sluice-openings were carried to a height above summer water-level. An attempt was made to take advantage of the low level of the river and carry the work right across. The work was nearly completed when the earthen dams surrounding it burst, and further progress was stopped for the season.

"The portion of the floor actually left untouched is 20 metres, but it is incomplete under 21 of the sluice-openings.

"The total quantity of concrete and masonry executed up to date is 108,682 cubic metres, of which 71,441 cubic metres were executed in 1900.

"The total expenditure up to date has been £ E. 558,458, including preliminary works, plant, and land.

"1,110,630 cubic metres of earthwork have been executed, and 1,751,332 sand-bags have been used.

"1,934 lineal metres of cast-iron sheet-piles have been driven.

"381 Europeans were employed in the work in 1900, and an average of 12,500 natives, at the time when the pressure was greatest.

"The entire Public Works service, and the reservoir works more particularly, suffered a very severe loss in 1900 by the death of Mr. W. J. Wilson, the Director-General of Reservoirs. Mr. Wilson possessed engineering talent of a high order, and was greatly respected and liked by all who knew him.*

"A special staff was occupied throughout the year in preparing the projects for the works necessitated in Upper Egypt by the transformation of large tracts of country from basin into perennial irrigation. It will be necessary, if full advantage is to be taken of the extra water supply resulting from the Assouan dam, that these works shall be ready simultaneously with the reservoir itself. The Caisse de la Dette has granted a credit of £ E. 375,000 for these works in 1901."

The dams at Assouan and Assiout were originally estimated to cost about £ E. 2,000,000. I was at the time inclined to think that, in view of the size of the works, this estimate would be exceeded. This anticipation has been realized. The difficulty of framing any accurate estimate was, in fact, very great. Only actual experience could show what amount of excavation would be necessary at Assouan before the solid rock was reached. It will be seen from Sir William Garstin's remarks, given above, that the foundations had to be carried 30 feet, and in some places 40 feet, lower than was anticipated.

I cannot at present state precisely by how much the original estimate is likely to be exceeded. In any case, even if the amount be considerable, there can be no doubt whatever that the works will be well worth the money paid for them. Their value to the country can scarcely be exaggerated. I may add that no technical experience is required on the part of those who visit the works to judge that they are thoroughly well done.

Whatever may be the extra cost, no financial embarrassment will be caused to the Egyptian Treasury. The construction of the reservoirs has been quite as much a financial as an engineering question. The ease with which the additional sums required during the current year have been found reflects the greatest credit on Mr. Gorst's treatment of the general financial situation of the country.

Survey of the Cataract Region.

The construction of the Nile Reservoirs is now so far advanced that the time has arrived when further studies of the river may usefully be made, so that, should it

* I cordially concur in these observations.

eventually be found necessary to still further augment the water supply of Egypt, the requisite information for the preparation of the project, or projects, shall be at the disposal of the Ministry of Public Works. One of the first steps necessary to attain this end is to make an accurate survey of the Nile Valley where it passes through the cataract region south of Wady Halfa. It may eventually be decided that a second reservoir is not the best means of supplementing the summer volume of the river, but that it will be more advisable to obtain it by regulating the outlets of the Equatorial and Abyssinian Lakes, by opening up the Bahr-el-Gebel, or some other large scheme. Until, however, a thorough knowledge of the river, as a whole, is at our disposal it would be premature and unadvisable to take any decision whatsoever. The present work is a commencement in this direction, and even should the results obtained, as regards the construction of another dam, prove to be negative, the information thus acquired will be invaluable to those charged with the control of the river.

It is proposed, therefore, to survey the cataract region, at the same time running lines of levels up the river valley. A geological surveyor will accompany the party. The sum allotted for the first year's work is £ E. 4,200. It is calculated that three years' work will be required to complete it as far south as the head of the third cataract.

The Barrage.

The two new weirs, down-stream of the existing barrage, were practically finished in 1900. The foundations were completed throughout, and nothing now remains to be done but to raise the crests of each weir to the height which they will eventually attain.

The Rosetta branch weir, which is 500 metres long, was begun and completed in 1900; a feat of which Major Brown and his assistant, Mr. Brooke, may well be proud. The work was only commenced at the end of December 1899, and was completed before the flood of 1900, *i.e.*, by the middle of July 1900.

The total expenditure upon these two weirs, up to date, has been £ E. 421,000, of which some £ E. 179,000 was expended in 1900.

They largely assisted in saving the cotton crop of 1900. Thanks to their construction, it was possible to raise the water-level up-stream of the barrage, and to take full advantage of the rising flood to an extent which would have been highly dangerous to the existing barrage, had the supplementary weirs not reduced the head of water upon that structure.

The Zifta Barrage.

This work will, when finished, be the complement of those at Assouan and Assiout. It is designed to insure a better distribution of the water north of the Cairo Barrage. The canal systems taking off above the latter work are too long to permit of the water, in time of pressure, reaching the northern tracts of the Delta.

The Zifta Barrage will divide these systems into more manageable lengths. In design, it will be an open weir, like that under construction at Assiout, and will raise the river level in summer by some 3 metres. It is estimated to cost £ E. 450,000. The Caisse de la Dette has granted £ E 86,000 for collection of materials in 1901. It is hoped that the work may be completed simultaneously with the reservoir works.

The Corvée.

During the flood of 1900, 18,166 men were called out to guard the banks of the Nile during 100 days. This is 10,778 men in excess of the number employed in 1899. The flood of 1899 was, however, the lowest on record. In Lower Egypt, less than 1,000 men were employed on the banks in that year.

The flood in 1900 promised at one time to be high. By the time it was known that the level attained would not be exceptional, the men had been called out and were upon the banks. The river rose very early and very rapidly. In August it seemed probable that the general rule would be followed, namely, that an abnormally low summer supply would be followed by an abnormally high flood. The men were, therefore, called out earlier than usual. Hence the high number. A similar mistake is not likely to occur again, as in future it will be possible to compare the Soudan gauges with those of 1900. Last year, any such comparison was impossible.

I have on many former occasions explained that the Corvée now used for guarding the banks is in no way comparable to the system, which prevailed until a few years ago, of dredging the canals by forced labour. It cannot be said that the present system entails any very serious hardship on the population. At the same time, it is unquestionably true that the employment of forced labour for any purpose whatsoever is open to objection. Now that other more pressing matters have been disposed of, it is worthy of consideration whether the time has not come to abolish the last vestige of a bad system.

The question presents considerable difficulties, both financial and administrative. It is now being carefully examined. I cannot as yet state, with any degree of confidence whether a complete reform of the system will, or will not, be found possible. But I may mention that a solution may perhaps be found by posting gangs of workmen along the banks at specially selected spots, which could be connected by telephone. If this were done, there would probably be a great economy of labour.

Drainage.

About £ E. 214,000 was expended upon drainage works in the course of last year. For this sum 193 kilom. of new drains were dug and 116 kilom. of existing drains remodelled.

Thanks to the assistance rendered by the Caisse de la Dette during the period of four years commencing with 1897, 938 kilom. of new drains have been dug and 918 kilom. of existing drains remodelled and improved. The total expenditure in these four years was about £ E. 928,000.

The ease with which the land tax is now collected is, in a great measure, due to the expenditure on drainage. There has been a great rise in the value of the lands which have benefited by the drains.

The Drainage of Alexandria.

The contract for the works in connection with the drainage of Alexandria has been given to a well-known firm of Italian contractors. Progress in 1900 was limited to the preparatory operations, such as the collection of materials, plant, &c. It is hoped that, in 1901, a commencement will be made with the new quay wall, which will reclaim a considerable area of land from the sea, and behind which the main collecting sewer will be carried. These works are entirely under the control of the municipality of Alexandria.

Water Supply of Alexandria.

In dealing with the question of improving the water supply of Alexandria I stated, in my last annual Report, that borings were about to be made in the northern portion of the Province of Behera. Had water been found in sufficient quantity for the needs of the town, it had been intended to sink deep wells, erect pumps, and convey the water by pipes to Alexandria. The necessity for constructing large and costly filter-beds, which are inseparable from any project based on supplying the town with water from the Mahmoudieh Canal, would thus have been avoided.

The borings were accordingly made, but the result proved unsatisfactory. In each case the water was found to be strongly impregnated with salt.

Under these circumstances it becomes necessary to fall back on the alternative plan of taking water from the Canal. It is proposed to pump the water into settling-tanks and to carry it to the filter-beds in cast-iron pipes. The details of the scheme have not been completed. It is probable, however, that its execution will cost not less than £ E. 100,000.

The Tantah Water-works.

Although the system of distribution for the town of Tantah is practically complete, great difficulty is still experienced in overcoming the prejudices of the inhabitants and persuading them to take the pure water supplied by the Company, instead of the dirty water from the Canal. These difficulties are largely due to the

opposition of the "sakkas," or local water sellers. These men, who are the regular sellers of water in all native towns in Egypt, not unnaturally prefer to take it from the canal, where they pay nothing for it, rather than from the Company, to whom they have to pay a small sum for each water-skin filled. They consequently spread reports unfavourable to the quality of the Company's water. These stories are readily credited by the ignorant portion of the population. In time these prejudices will, without doubt, disappear; even now, instead of working, as before, at a loss, the Company, in 1900, was able to balance its returns of profit and loss.

267,508 metres cube of water were distributed in 1900. Of this quantity 54,323 metres were for Government Administrations, 4,880 metres for street fountains, and 208,305 metres for private individuals. 3,000 metres of new piping were added to the public street mains and 8,000 metres for private pipes supplying dwelling-houses. 12 drinking-fountains have been erected for the sale of water and 4 for free distribution. 197 fire-hydrants have been placed in the town of Tantah, and 30 fires were extinguished by their help in 1900.

Great credit is due to the promoters of this project, Messrs. Suares and Co., for the energetic way in which they have pushed their works to completion, and for the perseverance and patience with which they have endeavoured to overcome organized opposition. It is greatly to be hoped that their endeavours will eventually result in a profit to themselves.

The Cairo Streets.

The condition of the Cairo streets has recently attracted a good deal of public attention.

I cannot, in a report of this nature, enter into a full discussion of this subject, which is obviously one of considerable local importance. I may, however, state the main facts which have to be considered, and I can briefly indicate the difficulties which lie in the way of reform. That, under the vigorous initiative given by Mr. Arnold Perry, great improvements have, during the last year or two, been effected, cannot be doubted.

There can be equally little doubt that much remains to be done before it can be said that the cleansing, paving, and lighting of the Cairo streets are in a satisfactory condition.

The total area of road in the city of Cairo is 2,781,742 square metres.

Of this, 1,361,024 square metres are now macadamized; the balance consisting of the old unlevelled roads, which have existed for centuries.

The cost of construction is far lower than would be possible anywhere in Europe, viz., £ E. 17. 5*s.* per 1,000 square metres, as against £ E. 32 to £ E. 34 in European towns.

The question of extending the macadamized road surface of Cairo resolves itself entirely into one of money.

A sum of some £ E. 200,000 would, I am informed, be necessary in order to macadamize the existing earthen roads in Cairo, and an annual expenditure of some £ E. 50,000 would be required to maintain and keep them in good order.

Experiments are now being made with compressed asphalt bricks, and the Public Works Department is studying a project for introducing this method of pavement into the principal streets. As this material, although the initial cost of laying is heavy, wears very much longer than macadam, it may be possible to arrive at a solution of the difficulty of increasing the road area of Cairo without largely increasing the annual maintenance charges.

The question of cleansing the Cairo streets is partly one of expenditure and partly of efficient control over the inhabitants, who daily throw the refuse from their houses into the streets. This control does not, however, devolve upon the Scavenging Service.

1,708,545 square metres, out of the total area of 2,781,742 in the city, is at present swept and watered twice a day. This represents some 61 per cent. of the whole surface. It is only by the most careful economies that it is possible to carry out as much work as is done daily. In the autumn of 1900, an additional grant of £ E. 3,000 per annum was given to the service, thus enabling it to remove the street refuse from all the native quarters once in every four days. This extra clearance, although it is an undoubted improvement, is at best only a palliative. The inhabitants daily discharge the refuse of their houses upon the streets, which also, in many quarters they use as a latrine. The Scavenging Service is powerless to stop such

practices, and, moreover, it is difficult to say what else, under the existing circumstances, the inhabitants can do, unless they store the filth and rubbish in their own houses.

The quantity thus thrown out amounts to some 900 tons per day. Of this, 356 tons are removed daily by the Scavenging Service, 226 are collected by the bath-owners; the balance remains on the streets.

Until Cairo is provided with a system of public latrines, and until money can be provided for cleansing every street at least once daily, large portions of the city must remain as they now are—receptacles for filth and refuse.

In February 1900, after one day's heavy rainfall, the Scavenging Service worked for four days and nights consecutively, and removed 12,528 tons of slush. A scheme for surface drainage is under consideration.*

As regard lighting, there are 3,171 gas-lamps in Cairo, or about half the number required. The cost of maintaining these lamps is some £ E. 21,440 a-year.

The employment of electric light was much extended in the course of last year.

On the 30th November, 1899, the total lamp connections were equivalent to 33,500 lamps of eight-candle power. On the same date in 1900 the figure was 48,000, or an increase of 42 per cent.

Wealthy Egyptians are now largely availing themselves of this system, and are introducing the electric light into their dwellings.

The main, and most of the secondary, cables have now been laid underground.

Lastly, I may mention that the average daily number of passengers using the tram lines is now 40,000, as against 27,000 in 1899. This means that 7 per cent. of the population of the city use the trams. A great public want has undoubtedly been met by their introduction. The length of line now actually worked is 35,600 metres. Of these, 15,000 metres are still a single track. The Khalig line, which links several important thoroughfares, and runs through the busiest portion of the native quarters, is now open to the public, as also is the line to the Pyramids, which starts from the Kasr-el-Nil Bridge.

Inspection of Steam Engines.

The modifications proposed by the Public Works Department in the Law for licensing and regulating engines of all kinds have at last been approved by the Mixed Courts.

The old Law was full of anomalies, and was easily evaded, as its clauses were so obscurely worded that their interpretation was often difficult. The powers of the Technical Service have now been largely increased.

It will in future be possible to prevent proprietors of engines from working them when in a state dangerous to the public safety.

On the whole, satisfactory progress can be reported in the matter of engine regulations in 1900.

One hundred and fifty-three licences were asked for, and ninety-eight were delivered.

Two hundred and nine visits of inspection of engines were made. Of the engines thus inspected, 101 were found to be in an unsatisfactory state.

General improvement is reported in the condition of the engines. Owners appear to be at last beginning to realize the necessity of working their boilers with a due regard to safety.

Only one explosion of a boiler took place in 1900.

The Revenue Survey.

The Revenue survey has made considerable progress during the past year.

The Moudiriehs of Ghizeh and Gharbieh will be practically finished by the end of 1901. The Fayoum has been commenced. This latter province is the first in which triangulation has preceded the village and topographical survey.

* Since this was written the occurrence of another exceptionally heavy storm has afforded additional evidence of the urgent necessity for dealing with this matter.

Triangulation is now in hand in the Moudiriehs of Dakahlieh and Galioubieh. The detailed surveys will be taken in hand in 1902.

The village surveys and their land registers are now completed more quickly than was formerly the case, as the staff has become more efficient.

The sale of village maps in 1900 was double that of 1899. The majority of purchasers were small land-owners, who wished to obtain a record of their properties.

The Meteorological Department.

The Observatory, situated in the Abbassieh quarter of Cairo, was greatly improved during the course of last year. The equipment of a first-class meteorological observatory is now working there regularly.

The time-ball at Port Saïd is dropped daily at noon by a current, working automatically, which is sent from the Observatory. Those at Cairo and Alexandria will, it is hoped, be working early in 1901.

The time of the 30° meridian east of Greenwich has been made civil time for the whole of Egypt, replacing the various local times previously in use.

Eight stations between Alexandria and Omdurman now take regular meteorological observations, and send telegraphic weather reports to Cairo daily at 8 A.M. These are printed and published. Arrangements have recently been made by which similar telegraphic reports are daily exchanged at 8 A.M. between Alexandria, Malta, Brindisi, Trieste, and Athens. These telegrams are posted for general information at the ports of Alexandria and Port Saïd.

The observations of all meteorological stations are printed and published monthly. The complete results of the work at the Central Observatory will be published shortly. The observations registered in 1899, together with the mean values of the preceding thirty years, are already printed and ready for publication.

Besides Omdurman, where there is a complete set of instruments, the stations of Rosaires, Fashoda, Wad Medani, and Kassala now record rainy days and approximate fall. They have not yet been furnished with proper rain gauges.

It is hoped that, before long, observing meteorological stations may be instituted at different points on the Blue and White Niles.

Funds have been granted for transferring the Central Observatory to Helouan, 15 miles south of Cairo. The new building will be commenced in 1901.

A set of thermometers has been sent to the base camp at Meshra-er-Rek, in the Bahr-el-Ghazal Province, to be registered and observed there daily.

Geological Survey.

The staff of the Geological Survey has been employed in compiling the results of the previous three years' field work. Reports on the oases of Kharga, Dakhleh, and Farafra are on the point of being published; five other Reports are ready for printing.

Good progress has been made with the preparation of the maps, some of which will shortly be ready for publication.

A geological museum is in course of construction, and will probably be completed before the end of the year. The expenditure on this building, up to the end of last year, was about £ E. 2,700.

Army and Police.

An important change was made at the close of last year in the conditions under which men are enlisted in the army and police.

With certain exceptions, which are laid down by law, every able-bodied Egyptian, on attaining the age of 19, is liable to military service. It is not, on that account, to be inferred that the whole Egyptian population passes through the army. Such is far from being the case. The number of those who annually attain the prescribed age is greatly in excess of the number of recruits required to fill the ranks.

Until recently, the period of service was fifteen years, divided as follows:—

Six years in the regular army.

Five years in the police or other Government Department.

Four years in the reserve.

The pacification of the Soudan has rendered it possible to reduce the Egyptian army by about 5,500 officers, non-commissioned officers, and men. The total period of service has consequently been reduced to ten years, of which five will be with the army, and five in the police or the reserve.

This change in the terms of military service has been welcomed by the population of Egypt generally.

Crime.

There was some increase of crime in 1900, as compared to 1899. This fact is sufficiently serious to merit careful inquiry.

The number of crimes* committed in the last four years is shown in the following Table :—

Year.	Homicide.	Robbery.	Other Crimes.	Total of real Crimes.
1897	430	378	616	1,424
1898	414	344	584	1,342
1899	371	260	620	1,251
1900	419	292	578	1,289

It will be seen that, although there was a steady and progressive diminution of serious crime in the three years 1897-98-99, the total amount of crime in 1900, though less than that in 1897 and 1898, was greater than in 1899. The increase was especially noteworthy under the heads of "homicide" and "robbery." Exclusive of these offences, the number of "other crimes" was less than in any previous year.

In dealing with these figures it has to be observed that, for some reason which it is difficult to explain, the amount of crime in 1899 appears to have been abnormally low. At the beginning of 1900, it was hardly thought probable that this satisfactory record could, even under favourable circumstances, be maintained.

Again, it would be a hazardous inference to attribute the increase in the number of murders to any general cause. That murders are of far more general occurrence in Egypt than in countries situated in the north of Europe is unfortunately true, but I am informed that the proportion per head of population, viz., 4 per 100,000, is less than in Italy, where it is 6 per 100,000.

Murders in Egypt are usually instigated by vengeance, personal hatred, or a desire to defend the family honour. The Bedouins, and the inhabitants of Upper Egypt, very generally hold the opinion that it is not only excusable, but imperative, upon father, brother, or husband to take the law into his own hands when any question arises affecting the honour of the women of the family. I do not think, therefore, that the increase in the number of murders represents anything more than an ordinary fluctuation in criminal statistics, due to accidental causes.

The relatively large number of robberies which occurred in 1900 is somewhat more serious, and would seem possibly to point to the existence of some general cause tending to increase crime. On the other hand, it is satisfactory to note that the steady diminution in cases of robbery with violence by armed gangs—a form of crime formerly very prevalent in Egypt—was maintained in 1900. The figures for the last three years are as follows :—

	Cases.
1898	21
1899	17
1900	12

In 1896 there were no less than fifty-one cases of this description.

* The word "crime" is here used in the technical sense of the Egyptian Code. It answers with tolerable accuracy to the English word "felony."

Turning to misdemeanours, the figures for the last four years are as follows :—

Year.	Thefts.	Assaults.	Various.	Total.
1897	11,803	13,832	11,274	36,909
1898	12,671	14,160	10,929	37,760
1899	12,496	15,464	11,753	39,713
1900	13,778	18,338	12,575	44,691

I do not think that much importance need be attached to the steady and considerable increase under the heads of "assaults" and "various." It is almost certainly due to the fact the Egyptians generally seek redress at the hands of the Law Courts far more frequently than was formerly the case. Something also may perhaps be attributed to the increased vigilance of the police.

There remain the cases of theft. It will be noticed that the figures under this head have fluctuated considerably during the four years under review. There were 868 more cases in 1898 than in 1897. The figures for 1899 fall slightly (175) below those of 1898, but in 1900 there were 1,107 more cases of theft than in the worst previous year, viz., 1898.

Taking this series of facts in conjunction with the increase in the number of "robberies," to which allusion has already been made, it can scarcely be doubted that some general cause must have been at work during 1900, tending to increase crime. That cause can, I think, be no other than the partial failure of the crops consequent on the low Nile of 1899. In spite of the efforts of the Irrigation officers, the liberal remissions of taxation which, as I have already mentioned, were accorded, and the further fact that the important works in progress at Assouan and Assiout gave employment to a large number of workmen, it still remains true that some 250,000 acres of cultivable land cannot remain unirrigated, and, therefore, uncultivated, without causing a good deal of poverty and distress. This condition of things would naturally tend to encourage crime, and more especially theft.

Mr. Corbet, the Procureur-General of the Egyptian Government, after reviewing the facts, states: "In general I do not think that the increase in crimes and misdemeanours during this year gives any cause for grave anxiety." I think that Mr. Corbet is justified in this conclusion. If I am right in holding that the recent increase in crime is due to a temporary cause, it may be hoped that the effect will also be temporary, and that the current year will show a more satisfactory record, in so far as crime is concerned, than the past.

I take this opportunity of mentioning that the poisoning of cattle—a crime common in other parts of the East—is carried on to a considerable extent in Egypt. The committal of this crime is facilitated by the ease with which poisons can be obtained. I understand that the Ministry of the Interior is now considering whether it is not possible to arrange that the sale of poisons, whether by Europeans or by Egyptians, shall be placed under some greater degree of control than that which exists at present.

Prisons.

I am glad to be able to report that it has at last become possible to take a decided step in advance in the direction of prison reform.

One of the main defects of the Egyptian prison system was want of space. The overcrowding of prisons, as is well known to all who have paid attention to this subject, invariably engenders disease. During the ten years previous to 1900, the death-rate in the Egyptian prisons was far higher than it should have been. Tuberculosis, a disease which, I am informed, is the result of overcrowding and bad ventilation, accounted for a considerable number of deaths. For some years past the prison accommodation has been steadily increased, but want of funds prevented progress from being so rapid as could have been wished. In 1900, however, about £ E. 35,000 was spent on building prisons, making a total expenditure of about £ E. 88,000 in the three years 1898, 1899, and 1900. A further sum of £ E. 30,000 has been granted for expenditure during the current year. Seven new prisons are under construction. Of these, six were actually occupied during the past year. The result has become at once apparent. The total mortality in all the prisons has fallen

from 31 per mille, the figure of 1899, to 23 per mille. It can scarcely be doubted that, as the convicts recover from the effects of the old régime, the mortality will still further decrease. "The problem of accommodation," Coles Pasha writes, "has so far been solved that in none of the large central prisons is there now any overcrowding. Those who have been acquainted with the Egyptian prisons since the early days can alone appreciate the reformation which the building of these new prisons has already brought about, and I trust that ere long it will be impossible to realize that the old prisons of former years ever existed."

Another great defect was that, up to the present time, a considerable number of prisoners were fed by their friends outside the prison. I need hardly point out the obvious objections to this system. Amongst other things, it rendered the maintenance of discipline difficult, if not impossible. It is clearly the duty of the State to provide food for all prisoners, but, in this case also, want of funds has hitherto rendered it imperative to postpone the execution of this very necessary and desirable reform.

There are about 6,300 prisoners confined in the central prisons of Egypt. The cost of feeding them is rather more than £ E. 25,000 a-year. In the Estimates for the current year, provision has been made for an expenditure of £ E. 18,000. It is hoped that the prisoners earnings will provide about £ E. 7,000. Thus, for the first time, all the prisoners confined in the central prisons, as well as the indigent prisoners in the lock-ups, will be fed by the State.

The law regulating punishment in prisons has also been revised. The old law of 1884 was very incomplete. From time to time, modifications have been introduced, either by short Decrees, or by Ministerial Orders. These modifications, especially the latter, caused some conflict of authority. The judicial authorities questioned the right of the Ministry of Interior to promulgate orders for which, they maintained, no provision was made in the law.

The new Decree, which was for some months under discussion by a Joint Committee, retains many of the original provisions of the French law, but many changes, based both on the English and Indian Prison Regulations, have been introduced. The result is a much less elaborate procedure than that which formerly existed. Responsibility has also been more clearly defined.

In the matter of classification of prisoners, the Indian law, with its "simple" and "rigorous" imprisonment, has been followed. In future, prisoners sentenced to simple imprisonment will be called on to do no labour other than that necessitated by the domestic service of the prison.

A more ample account of the changes which have been effected in the law will be found in Mr. McIlwraith's Report on the working of the Judicial system for the past year.

It would be an exaggeration to say that the work of prison reform is now complete, but it is certain that the Egyptian prison administration has been placed on a far more satisfactory footing than heretofore. Some minor improvements may yet have to be made, but all the flagrant defects of the old system have at last disappeared.

The Reformatory.

The Reformatory at Cairo is, in every respect, an excellent institution. Its management reflects the greatest credit both on Coles Pasha and on Mr. Pope, the Director, who resides within the precincts and gives his whole time to the boys.

It is managed as a school rather than as a prison. The boys are taught reading, writing, and arithmetic. They are drilled and kept scrupulously clean. Some excellent workshops, where, without any elaborate machinery, a few simple trades are taught, are attached to the building. A band has been formed. After the first few months of probation, the boys are allowed out alone on half-holidays, a privilege, I am informed, which has only once been abused. Last summer fifty-four boys were, for the first time, allowed to go to their homes on leave. Those who lived at a distance paid their own railway expenses. Not a single boy failed to report himself on the expiration of his leave.

Each boy earns a millième ($\frac{1}{4}d.$) a-day, which, by good conduct, he can increase to 4 millièmes (1*d.*). He is allowed to spend half his earnings. The other half is put by and given to him on his discharge.

Young Egyptians are intelligent, probably more so than most Europeans of similar ages. They are also very amenable to discipline, and rapidly adapt themselves to their surroundings. Under these circumstances, it is no matter for surprise that

they appear to profit greatly by the training and discipline to which they are submitted at the Reformatory. But, of course, the success of the institution cannot be judged until more is known of the after careers of those who, after going through a course of training, have been discharged. Up to the present time, thirty-nine boys have left the Reformatory since its creation. Of these, twenty-eight are said to be doing well; five have found their way back to prison, namely, three for brawling and two for theft. The subsequent careers of the remaining six are unknown.

Only boys who have been actually convicted of offences are sent to the Reformatory. Coles Pasha hopes, when funds are available, to enlarge the scope of the law so as to include the waifs and strays at present running wild in the streets of the large towns.

Hashish.

Important improvements were made last year in the Coastguard Service with a view to checking, so far as is possible, the introduction of hashish.

The total amount of hashish seized during the year to the west of Alexandria was 8,013 kilog. (over 8 tons), of which 4,354 kilog. were seized whilst being conveyed across the Libyan desert to the Nile, and one steamer and one schooner, containing a total of 3,659 kilog., by coastguard cruisers at sea.

It is hoped that, during the course of the present year, a coastguard post will be established at Sulloum, 240 miles west of Alexandria, and the limit between Egypt and Tripoli. Camel patrols will then be established, and so complete the chain between Alexandria and the western frontier.

The question of inducing the nomad Arabs who inhabit the Libyan desert, and who have hitherto been the principal smugglers, to co-operate with the Government in suppressing contraband, has been examined by a Joint Commission appointed by the Ministry of the Interior and the Coastguard Department. Ten of the most important local Bedouins have lately been appointed resident Sheikhs, with a certain district of influence assigned to each. By these means it is hoped to gradually bring about a better understanding between the Bedouins and the Preventive Service.

It is worthy of note that the two last seizures of hashish made in the Libyan desert were effected in consequence of information received from Bedouins.

The total amount of hashish seized throughout the country by the Coastguard Service in 1900 amounted to 13,555 kilog., by the police 1,566 kilog., and by the Customs 504 kilog., making a total of 15,625 kilog., which compares very favourably with 6,477 kilog. seized during 1899, and exceeds by 5 tons the quantity seized in any previous year.

Dr. Warnock's statistics show a slight but steady diminution in the number of patients suffering from the effects of hashish who were admitted into the lunatic asylum at Abbassieh. In 1898 the percentage of hashish lunatics admitted was 28·3; in 1899, 27·5; and in 1900, 25·3.

Dr. Warnock points out that the reduction is, in reality, greater than is indicated by these figures, owing to many chronic hashish patients having been discharged in order to make room for more dangerous cases, and it having been subsequently necessary to readmit a certain number who were found to be unmanageable in their homes.

Thus, out of 506 male admissions in 1900, 41 cases of chronic lunacy were due to hashish, as against 21 out of 454 admissions in 1899.

The task of the police has been facilitated by a new law, which has recently been approved by the Mixed Tribunals. Formerly, a hashish den could not be ordered to be closed unless the offender had been convicted three times within a period of six months. Now, imprisonment up to seven days may be inflicted in addition to the maximum fine of £ E. 1. Any public establishment, in which the occupier may have allowed the consumption of hashish, may be closed temporarily; and in cases of third offence, or where the occupier can be shown to have actually sold or supplied hashish, the establishment may be finally closed.

The police have thus been encouraged to do their duty; 1,149 persons were sentenced to fines for selling hashish in 1900, as against 902 in 1899; while no less than 975 establishments were closed in 1900, as against 310 in 1899.

For reasons which I have stated in my previous Reports, it is almost hopeless to expect that the use of hashish by the population of Egypt will ever be wholly discontinued, but the preventive measures employed to check its consumption are

certainly far more efficacious now than at any previous period. The results obtained do credit to the police.

The Pilgrimage.

Everything which concerns the pilgrimage to Mecca is, for obvious reasons, of the greatest interest to all the Moslem inhabitants of Egypt. Others, both in Egypt and elsewhere, are also interested in the pilgrimage being conducted in such a manner as to obviate the risk of infectious disease being imported from the Hedjaz. It will, therefore, be desirable that I should dwell on this subject at some little length.

Until recently the Government interfered but little in the details of the pilgrimage. Subject to the restrictions imposed by the Quarantine Board, the pilgrims made their own arrangements for the journey to and from Mecca. That they often suffered great hardships cannot be doubted. At the close of each season the Government was usually obliged to send some of its own steamers to Jeddah to bring back large numbers of indigent pilgrims who were unable to pay for their return journey. The sale of the Government steamers to a Company, early in 1898, rendered it necessary to consider the whole subject.

The first step taken was to lay down that no pilgrim was to leave Egypt unless he was provided with a Government passport. This passport is not delivered unless the pilgrim is able to deposit a sum of P. T. 156. Of this sum P. T. 100 is devoted to the maintenance of the pilgrim during his residence at the quarantine station of El-Tor; P. T. 50 is set aside to provide for the payment of quarantine dues; the balance of P. T. 6 goes to cover the cost of disembarkation.

In the second place, it was decided that no pilgrim should be allowed to embark unless he were provided with a return steamer ticket. In respect to this latter point, the intentions of the Government were, in the first instance, to a certain extent frustrated, owing to the fact that some shipping agencies issued return tickets without having the means at their disposal for bringing the pilgrims back. At the commencement of the season of 1899, it was, therefore, decided to go a step further, and to lay down that pilgrims should not be allowed to embark, save on steamers, the owners of which were ably to satisfy the Government that they could guarantee the return passage of all their passengers.

The result of these measures is that the proportion of indigent pilgrims, who formerly had to be supported and brought back to Egypt at the expense of the State, has been reduced from about 30 per cent. to 2 per cent. of the total number. Moreover, the cost of providing for those few who are indigent is covered by the money deposited on delivery of the passports. The general body of taxpayers have thus been relieved of a heavy charge, whilst the pilgrims themselves have greatly benefited by the change.

Turning to another point, it is to be observed that formerly no control was exercised over the pilgrims after they had once landed at Suez. In the interests of public health it was very necessary to discontinue this practice. In 1899, therefore, for the first time, the addresses of all returning pilgrims were noted, and the information sent in each case to the local sanitary authorities. Out of a total of 6,237 passengers who landed at Suez, all save 289 were traced to their homes. Of these latter, it is believed that the greater portion proceeded at once to Alexandria and left Egypt. Some few probably gave false addresses. Dr. Cresswell, the Medical Officer of the Port of Suez, reports: "The system worked well, considering that it was the first year of its trial. The number of complaints was few, and they were of a trivial nature."

Lastly, I may remark that great improvements, which I need not describe in detail, have been made in the arrangements for housing and feeding the pilgrims at Tor. Others are in course of progress.

I shall presently deal with the important question of the Regulations connected with the transport of pilgrims by sea.

The Khedivial Steam-ship Company.

The Khedivial Steamship Company has, since its creation in 1898, been singularly unfortunate: it has lost no less than three vessels. I need not dwell on the circumstances connected with these wrecks; they were, in each case, examined by a Naval Court of Inquiry. The fact that these wrecks should have occurred naturally drew

attention to the degree of control which should be exercised over steam-ship Companies trading under the special conditions existing in the case under discussion.

The Company is British. Their ships sail under the British flag; but, inasmuch as they do not trade to any port of the United Kingdom, they cannot be made amenable to the provisions of the Merchant Shipping Act. It would be in the interests of the public that the Company should be under some legal control; neither—provided the law were adapted to meet local circumstances and requirements—would the Company entertain any objection to such a control being imposed. On the contrary, they would obviously benefit by the confidence which the public would gain were their ships subject to such Regulations as are necessary to ensure the service being properly conducted. The Merchant Shipping Act not being applicable, any new law, having for its object compulsory compliance with certain Regulations, would of necessity have to be edicted by the Egyptian Government. The difficulties of passing, and of enforcing, any such law, which would have to be applicable to all European Companies, are insuperable. I have on many previous occasions pointed out that, for all practical purposes, it may be said that Egypt possesses no legislative machinery for meeting cases of this sort.

Under these circumstances, it became necessary to fall back on the procedure not unfrequently adopted in Egypt for dealing with matters of this nature, and which consists of endeavouring to attain the desired end, or something approaching to it, by indirect means, which would not involve legislation of any kind. By the adoption of this method it is usually difficult to obtain more than a partial success. Nevertheless, in this particular case, the circumstances were such as to facilitate arrangements which may be characterised as fairly satisfactory.

The Company is largely, though not exclusively, engaged in the pilgrim traffic. The wreck of one of their vessels, the "Charkieh," on a reef in the Gulf of Suez, brought to light facts which proved that the transport of pilgrims by sea stood greatly in need of regulation. It was thought that both the pilgrims and the Company would alike benefit if the Government made some arrangement laying down the conditions under which pilgrims were, for the future, to be carried; and, moreover, that those arrangements, inasmuch as they would be based on the necessity of ensuring the seaworthiness and general efficiency of the ships, would indirectly benefit passengers of all descriptions. It was not legally possible to oblige the Khedivial, or any other Steamship Company, to submit to certain Government Regulations, but it was quite within the power of the Egyptian Government to prevent pilgrims proceeding by any ships save those belonging to Companies, which voluntarily accepted the conditions which it was thought desirable to enforce.

Advantage was taken of this circumstance to discuss the matter with the directors of the Company, with the result that an arrangement, of which I now proceed to give a summary, was made.

For the future, Egyptian pilgrims will only be allowed to embark on vessels belonging to a Company which is able to satisfy the Government that it has a regular service of not less than four sailings each month.

The interior of every vessel must be measured under the superintendence of Lloyd's Agency. Each will be provided with a certificate stating the maximum number of pilgrims she will be permitted to carry.

The certificate will also testify to the absolute seaworthiness of the vessel, and the completeness of her equipment of boats, life-saving apparatus, &c.

Strict regulations have been laid down as regards the free supply of water, and a reserve store of biscuits. Medical arrangements have received due attention.

The number of pilgrims which each vessel is authorised to carry will be painted in large letters on the ship's sides.

Each vessel will be thoroughly inspected, before departure, by Government delegates, who will satisfy themselves that everything is in order, and that the prescribed number of passengers has not been exceeded.

Arrangements are being made for the supply of water to pilgrims who may have to wait a few days at Yembo for a vessel to convey them to Tor.

Each vessel must carry at least one officer who speaks Arabic.

The maximum price of the return ticket has been fixed at £ E. 5.

£ E. 2,000 is to be deposited as caution money by every Company to which authority to carry Egyptian pilgrims is accorded.

The penalty for transgression of any of the stipulations of the Agreement lies in the withdrawal of the permit for the particular vessel, or for the whole line.

The Legislative Council at first raised serious objections to these restrictions on

the liberty of the pilgrims. They proposed that all should go and return as they pleased. Pains were, however, taken to discuss the question at length with a Committee of the Council, with the result that they finally endorsed the view of the Government, to the effect that the proposed Regulations would prove very beneficial to the pilgrims.

At present, the Khedivial Company is alone in a position to carry pilgrims in accordance with the terms of the new Regulations. The result is that, until others come forward and compete, there will be a virtual monopoly for this line. But although no competition for the time being exists, the efficient system of control inaugurated by the new Regulations should enable pilgrims to accomplish their journey in far greater comfort and security than has been possible in former years.

The conclusion of this arrangement reflects credit on Mr. Machell, the Adviser of the Ministry of Interior, by whom it has been negotiated. I should add that the Directors of the Khedivial Company have shown every readiness to comply with the wishes of the Government.

Slavery.

Captain McMurdo, who directs the Slavery Department, writes:—

"It can with good reason be stated that all trafficking in slaves has practically ceased. Since the Sharkieh case, which was tried in the Courts in Cairo in 1899, there has only been one other trial, namely, a kidnapping case which took place at Luxor. There is no doubt that the publicity given to the Sharkieh case has had a very considerable and desirable effect throughout Lower Egypt. It appears to be fully realised that the new Convention and laws cannot be disregarded with impunity."

I am glad to be able to report that the Slavery Department have recently gained a noteworthy success at Suakin. The small Rashaida tribe, who live in the Suakin district, have for a long time past been well known as active slave-dealers. One of the principal Sheikhs, by name Marshoud, has now been convicted of buying and selling slaves, and has been sentenced to seven years' imprisonment. The result of this, and of some other convictions obtained by the Department, has been that the greater part of the Rashaidas, heretofore residing north of Suakin, have emigrated into Italian territory. I am informed that not more than forty Rashaidas remain within the Soudanese frontier.

Arrangements have been made which will enable the Slavery Department to extend the sphere of its operations to the Soudan. An English inspector will be posted at Khartoum. The country between Berber and Kassala will be constantly patrolled by a portion of the Camel Corps, whilst another portion, whose head-quarters will be at Suakin, will deal with the country lying between that port and Kassala In fact, as complete a cordon as possible will be established across the whole of the Eastern Soudan. I am in hopes that these measures will result in stifling all Slave Traffic in these regions.

The number of slaves manumitted in Egypt proper during the past year was as follows:—

	Male.	Female.	Total.
Soudanese	90	212	302
Abyssinian	2	17	19
Circassian	..	9	9
Total	92	238	330

This is sixty-six less than 1899. It cannot be doubted that the number of slaves left in Egypt is small. I frequently hear complaints of the difficulty of finding domestic servants. It has occasionally been suggested that a school of domestic economy might usefully be established in Cairo. The idea seems well worthy of consideration, but I have not as yet studied it sufficiently to justify my offering any personal opinion as to its feasibility.

Municipalities.

Local Commissions have now been established in most of the chief provincial towns.

These Commissions can at present only be regarded as experiments. It was not to be expected that the novel principle of local self-government should at once take root in Egypt and bear good fruit.

As regards the expenditure upon works requiring technical supervision, the results in some instances have been scarcely satisfactory; money has occasionally been wasted. The Ministries of the Interior and Public Works are at present studying the means by which a more effectual supervision can be insured.

On the other hand, Mr. Pinching, the Director-General of the Sanitary and Medical Department, writes as follows:—

"On making a tour through Upper and Lower Egypt, one cannot but be struck with the great improvement, with regard to cleanliness and general appearance, which has taken place in the towns provided with municipalities; it is greatly to the credit of the Moudirs and members of the several Commissions, that they show so much interest in their towns, and make the small sums of money at their disposal go so far. I would particularly draw attention to the town of Medinet-el-Fayoum, which formerly, from a sanitary point of view, was one of the worst specimens of Egyptian towns; all the mosque and house drains formerly discharged into the Bahr Youssuf, which is the only source of water for drinking purposes; these have now been all completely closed; walls and palings have been placed along the whole length of the river to prevent people from polluting the water supply; broad streets are being pierced through the centres of the crowded quarters, and many of the roads macadamized. The consequence of these measures is that the health of the town has greatly improved, and whereas epidemics of relapsing fever were continually occurring in and about Medinet-el-Fayoum, it is rare now that any of these outbreaks are reported."

The town of Mansourah has been supplied with electric light and a project for the drainage of the streets is now in course of execution.

Nine provincial towns are beginning to macadamize their streets, and five others already possess a few kilometres of macadam and flag pavement.

Projects for the electric lighting of certain other towns are now under consideration.

I see no reason why this interesting experiment should not be continued, and possibly receive some further cautious development. It would be an illusion to suppose that, in the present stage of Egyptian progress, the more advanced principles of local self-government can be adopted without detriment to the general mass of the population; but, within reasonable limits, any minor failures may rightly be considered as condoned by the advantages obtained in stimulating the interest of the Egyptians in the management of their own affairs.

Medical Administration.

During the year 1900, 23,276 cases were treated in the general hospitals and 361 cases in the infectious hospital at Abbassieh, as against 22,895 in the general hospitals, and 494 in the infectious hospital, during 1899. At Kasr-el-Aini alone, 24,616 out-patients received treatment.

In 1891, 15,371 cases only were treated in Government hospitals. It is satisfactory to note that the prejudice, which formerly existed against hospitals, has almost disappeared, and that the inhabitants of the country are recognizing the benefits of hospital treatment.

Dispensaries have been opened at Edfou and Korosko. Emergency boxes, containing surgical appliances and a certain amount of drugs, are being sent to a number of towns, and it is hoped, as funds are available, to supply all medical officers in the country with these boxes.

The Assiout Hospital, which was completed at the commencement of the year, has been re-equipped. The hospital at Minieh, commenced in 1900, is almost ready for occupation.

A new pavilion for women is in course of construction at Alexandria, which, on completion, will enable a Lock ward to be added to the general hospital of this town.

The money granted by the Caisse de la Dette for additions and alterations to the Port Saïd Hospital was not expended during 1900, as it was not considered desirable to commence building operations there during the prevalence of plague in the town; the work, however, will now commence at once.

A hospital for the accommodation of foundlings at Kasr-el-Aini, the funds for which have been provided by public subscription, is nearing completion, and will be ready for occupation about next May.

Small hospitals for infectious diseases have been constructed at Benha and Damanhour.

A new disinfection station has been provided for Cairo, and stations on a smaller scale for Benha, Damanhour, Assiout, Minieh, and Shibin-el-Kom, so that most of the large towns in Egypt are now supplied with disinfecting apparatus and a trained disinfecting staff.

Pumping-stations for supplying the hospitals with pure water have been erected at Zagazig and Mansourah.

The Plague.

I annex to this Report (Inclosure 2) a Memorandum prepared by Mr. Pinching, explanatory of the measures taken during the course of last year to check the spread of plague. The skill and judgment shown in dealing with the slight outbreak which occurred last summer reflects great credit on Mr. Pinching and on those serving under him.

Vaccination.

About 393,000 successful vaccinations were made in the course of the past year, as compared to 357,000 in 1899. The demands on the Vaccine Institute, which is under the very capable direction of Mr. Branch, have been unusually heavy.

A slight epidemic of small-pox occurred in Cairo last spring, but was arrested by the revaccination of a large portion of the population. "I cannot," Mr. Pinching says, "speak too highly of the conscientious way in which this work was carried out by the native medical officers."

Of the 298 cases of small-pox which were notified to the Sanitary Department, 242 occurred amongst the native population, and no less than 56 amongst foreigners. As the native population of Cairo is about 677,000, whilst the foreigners only number about 35,000, it will be seen at a glance that the proportion of cases amongst the former was very much smaller than amongst the latter. On this subject Mr. Pinching makes the following remarks:—

"The partial immunity which the natives enjoyed can be easily accounted for by the fact that the vaccination of the natives is carried out in a more thorough manner than is the case among foreigners. Though vaccination is compulsory for natives and foreigners alike, a very large number of the latter are never vaccinated, and it is almost impossible for the Sanitary authorities to take any action against them, owing to the fact that the births of foreigners are registered at their respective Consulates, and the returns, with the addresses of those concerned are rarely, if ever, sent to the Sanitary Administration; moreover, when they are sent, it is often impossible to find them. So long as this evasion of compulsory vaccination continues among foreigners, Egypt will always be liable to recurrent epidemics of small-pox."

Village Sanitation.

During the course of last year 208 cemeteries, which were placed in the centres of towns and villages were closed, and sites for burial-places selected outside the towns.

In 1,744 village mosques the tanks ("maidahs") in which the people wash before prayers—all using the same water—have been replaced by taps, so that each person is enabled to perform his ablutions with clean water. In Upper Egypt this improvement has been carried out so rapidly that now only a very small number of maidahs still exist.

On the important sanitary question of the conditions of the "birkets" (ponds), which are situated in close proximity to almost every Egyptian village, Mr. Pinching writes as follows:—

"The health of many of the towns and villages of Egypt might be much improved if the Government could see its way to fill up the foul birkets, or stagnant pools of water, which are found in almost every village.

"These birkets are really the borrow-pits out of which the earth has been taken for building the villages; they become filled with infiltration water, which, during the summer weather, ferments, and pollutes the whole atmosphere with most poisonous vapours.

"The children of the town play round these birkets, the women wash their clothing in them, and the cattle are allowed to drink from them. The latter, owing to drinking this foul water, contract a disease of the throat which often proves fatal; the inhabitants, in all probability, become affected with the *anchylostoma duodenalis*, a small parasitic worm, which causes the advanced anæmia which is so prevalent among the fellah population of Egypt, and to which so many deaths are due. The percentage of persons affected with this disease is very high."

Lunatic Asylum.

A sum of £E. 2,500 was expended on the Lunatic Asylum at Abbassieh during the past year.

The hospital grounds were increased to an area of 17½ acres, thus allowing about one-thirteenth of an acre to each patient. The average allowance in England is, I am informed, one-tenth, and in Germany one-fourth of an acre per patient.

A new section, capable of holding thirty troublesome patients, has been built. The excessive numbers in the old refractory section have thus been reduced.

A large dormitory, and eight separate rooms for the accommodation of male paralytics, have been constructed.

I am glad to say that it has been arranged that criminal lunatics should be handed over to the prison authorities and confined at the Tourah convict establishment. This will, to some extent, relieve the pressure on the Lunatic Asylum, and will also render it no longer necessary to mix together the criminal and non-criminal lunatics —an arrangement which is open to many obvious objections.

In spite of these improvements, it cannot be doubted that the provisions made for lunatics is inadequate. A new Asylum is much required, and I trust that, before long, the funds necessary for its construction will be forthcoming.

Cattle Plague.

On this important subject, Mr. Pinching writes as follows:—

"Happily, no cases of this disease have occurred in Egypt proper during 1900, though it has made its appearance in many of the provinces of the Soudan, both to the north and the south of Khartoum. The outbreaks which, on account of their propinquity, are the most important from the Egyptian point of view, have occurred in the herds of the Wad Bisharia and Shabluka districts of the Berber Moudirieh. The mortality among the cattle attacked in the Soudan has never attained the terrible severity it did in South Africa, and this, no doubt, is due to the fact that cattle plague has been more or less prevalent in the Soudan for a number of years, and the present strain of cattle—the offspring of cattle which have suffered from the disease and recovered—is to a certain extent rendered immune to the disease. The great heat and dryness of the climate of the Soudan are also, no doubt, factors in attenuating the virus of the disease.

"A further large quantity of anti-cattle-plague serum was obtained from the Cape Government during the year. A portion of this was sent up to the Soudan, and the remainder retained in Cairo to form a reserve which could be drawn upon as required; serum was also obtained from the Hygienic Institute at Constantinople, but though this serum was found efficacious, it did not possess as high immunising properties as that supplied by the Cape Government. Major Griffith, Principal Veterinary Officer of the Egyptian Army, reports most favourably on the efficacy of the serum treatment, an efficacy which the natives themselves recognize, inasmuch as they bring their cattle in voluntarily and ask that they may be submitted to the treatment.

"As it is impossible to obtain a renewal of the present supply of Cape serum when the latter is exhausted, it was thought advisable, in view of future contingencies, to

have the laboratory and apparatus ready for the preparation of anti-cattle-plague serum in the Soudan. A laboratory has, therefore, been built at Halfaya with the necessary accommodation for cattle; the equipment for the laboratory and the apparatus for preparing the serum are now in store in Cairo, so that the preparation of serum can be commenced immediately if necessary.

"In August, the opinion of Professor Kolle on the cattle plague in the Soudan, and the measures he considered best suited to combat the disease there, and also to prevent it from extending further north into Egypt, was procured. Professor Kolle had great experience of the serious outbreak which devastated South Africa during 1896–97–98, and he and Professor Turner elaborated the system which was found so successful during the progress of the disease in that country, namely, that of immunising cattle by the simultaneous injection of cattle-plague blood and the anti-cattle-plague serum. It was computed that 66 per cent. of the cattle in the districts where this treatment was applied, were saved.

"Notifications of 468 cases of cattle-plague in the Soudan were received last year, as against 850 in 1899; but it is very possible that many other small and local outbreaks occurred, which were not brought to the notice of the authorities.

"Strict protective measures have been in force throughout the year, and the Soudan Government has done all in its power to prevent cattle being sent north, and so carrying infection into Egypt."

Importation of Cattle and Sheep.

The number of cattle imported during the year was 16,000, as against about 1,800 imported in 1899.

Sheep imported reached the figure of 85,000, as against 65,000 in 1899.

The reason for the large increase in the number of imported cattle during 1900 is owing to the fact that the quarantine parks at Alexandria were completed, and the cattle trade with Syria reopened. The cattle are, however, killed at the port of entry.

Alexandria consumes nearly all the meat from imported animals, as it is only during the winter that the weather permits of its being sent to Cairo and elsewhere in the Delta.

The prohibition to import live-stock from Syria still remains in force. It cannot be doubted that the measures taken to protect Egypt against cattle disease, however necessary they may be, have caused a general rise in the price both of working cattle and of meat in Egypt. Dr. Mackenzie, the Director of the School of Agriculture, after a full examination of the facts, comes to the following conclusions:—

1. The price of working cattle has greatly increased (by 50 per cent. at least) in recent years.
2. The price of beef has also risen.
3. The number of animals killed for meat has increased.
4. The number imported from abroad has decreased.

Rabies.

The following is a comparative Table of the cases of rabies, which have occurred in Egypt during the last five years:—

Years.	Cases in Animals.	Cases in Human Beings.
1896	6	4
1897	3	5
1898	11	2
1899	10	9
1900	19	10

It would seem from these figures that the disease shows a slight tendency to increase.

One hundred and forty persons were treated at the Italian Anti-rabies Institute at Cairo by Dr. Tonino during 1900, as against eighty-eight persons treated in 1899.

"This Institute," Mr. Pinching writes, "has been of great service to the country during the last two years."

Justice.

Mr. McIlwraith, the Judicial Adviser of the Egyptian Government, has recently published an exhaustive Report upon the working of the various branches of the Egyptian judicial system during the past year. I need here only allude briefly to a few points of special importance.

For many years the number of civil cases entered for trial before the Native Tribunals showed a steady decline. The figures fell from 3,467 cases in 1891 to about 1,100 cases in 1896 and 1897. This decline was due to two causes, namely, (1) the nature and peculiarity of the tariff of the Native Courts, and (2) the fictitious transfer of suits to the Mixed Tribunals. The tariff has now been reformed, whilst the legislation, to which I referred at length in my Report of last year, has checked the fictitious transfers. Under these correcting influences, the number of civil cases entered for trial at the Native Courts appears to be steadily increasing. There were 1,543 cases in 1899, and 1,610 in 1900.

I note with special pleasure, inasmuch as the Judges in the Lower Courts are almost exclusively Egyptians, that the Inspectors of the Committee of Surveillance report that "in the large majority of cases examined this year, the judgments of the summary judges have been sounder and more in conformity with legal principles than heretofore, as is testified by an increase in the proportion of confirmations on appeal. A similar result can be reported as regards the Tribunals of First Instance, where the proportion of confirmations by the Court of Appeal has risen from 63 per cent. in 1899 to 68 per cent. in 1900."

The work of revising the Penal Code has continued and, in the very capable hands of Mr. Brunyate, considerable progress has been made. The object of the revision is almost entirely to meet the difficulties to which the defective drafting of the original Code has given rise in the application of the general principles of the penal law. Some few substantive changes will, however, probably be made. For instance, in accordance with a suggestion I made last year, it is proposed to legalize the punishment of whipping for juvenile offenders.

Mixed Tribunals.

As regards the Mixed Tribunals, I need only allude to one reform of an administrative character. Until recently, the large sums of money held by the Mixed Courts in connection with sequestrations, execution proceedings, &c., remained unemployed. It has for long been felt that this mode of administration was open to great and obvious objections. It has now been arranged with the National Bank that this institution will receive these funds on deposit, and will pay interest thereon at the rate of 3 per cent. up to £ E. 150,000 and 2 per cent. beyond that amount. Soon after the conclusion of the arrangement, £ E. 228,815 were paid over to the bank, and further sums have been paid since. The bank is bound to repay on demand the amount of all deposits, unless they exceed £ E. 10,000, in which case it is entitled to five days' notice. Of the interest thus obtained, 2 per cent. is for the benefit of the depositors, being added to their capital, while the balance is applied to the expenses of administration.

Village Justice.

I mentioned in my Report of last year that, in order to relieve the work of the Summary Tribunals, jurisdiction to try civil cases relating to personalty, in which the sum involved did not exceed P.T. 100 (about 1*l.*), had been conferred on a certain number of village Omdehs.

Johnson Pasha was commissioned by the Ministry of Justice to inspect the working of the new system all over Egypt. He reported favourably in 1899. His Report for 1900 is still more favourable.

I gather from the Reports, both of Mr. McIlwraith and of Johnson Pasha that

some doubts still exist as to whether the Omdehs can safely be trusted with any judicial powers. On this subject Johnson Pasha writes as follows:

"As there has been a certain tendency in some quarters to depreciate the village authorities and the probable value of their work, I should like to urge that there is just as much difference between the Head of an Egyptian village of, say, 5,000 inhabitants, and the ordinary fellah of his village, as between an English country gentleman and the labourers on his own and surrounding properties, while, so far as family traditions and ancestry have any influence, the agricultural classes in this country are relatively on as high a footing as is the case in most countries. Considering that we are dealing with Egypt, and in the interest of Egyptians, I think it is hardly necessary to say more in defence of the institution."

There were, in the first instance, sufficient grounds for doubting the success of the experiment now under discussion to justify proceeding with caution. Those doubts have now, however, in my opinion, been removed. Apart from Johnson Pasha's testimony, which is of great value, I may say that no Petitions have been addressed to me complaining of an abuse of judicial power on the part of the Omdehs. Further, Mr. McIlwraith says: "So far as I am aware, the Ministry of Justice has not so far received a single Petition relating to the decision of an Omdeh in his judicial capacity." This may not be absolutely conclusive evidence that the system is working well and that the proceedings of the Omdehs are under adequate control, but it is certainly very significant. My experience of Egyptian affairs has led me to the conclusion that, if there is anything seriously wrong with any particular branch of the administration, the grievance, whatever it may be, generally ends by finding its way, in the form of numerous Petitions, to the British Agency.

The reform is thoroughly sound in principle. It interests an important section of the Egyptian community in the management of their own affairs. It allows the administration of justice to be decentralized, which is in itself a very great advantage. The experiment must, therefore, certainly be continued, and may possibly even receive some further cautious development.

Brigandage Commissions.

I have, on many previous occasions, dwelt on the extreme importance, in countries like Egypt and the Soudan, of avoiding haste in the introduction of reforms. I have now to speak of a case which illustrates in a remarkable degree the hopelessness of endeavouring to abolish long-standing abuses and to introduce new and improved methods of administration before the surrounding circumstances admit of the experiment being tried under conditions fairly favourable to success.

One of the first steps taken after the British occupation of Egypt in 1882 was to abolish the use of the Courbash. The next step was to introduce Law Courts based on European models.

Both measures, considered on their own merits, were excellent. Both, also, were somewhat in advance of the existing requirements of Egyptian society. The country had for centuries previous been practically governed by the Courbash. The creation of efficient Law Courts was manifestly a work of time. Under these circumstances, it can be no matter for surprise that the period of transition from a reign of lawlessness to one of law was not only difficult, but almost dangerous. No respect was shown for the law, whilst arbitrary power had ceased to exist. Crime was rampant in the provinces.

In 1884, therefore, Nubar Pasha established Brigandage Commissions in the provinces; in other words he proclaimed martial law. The results of this measure were twofold. In the first place the use of the Courbash was partially reintroduced. In the second place, the Law Courts virtually remained in abeyance. All the criminal work was practically done by the Brigandage Commissions. Some while elapsed before the central authorities in Cairo became fully aware of the methods adopted by these Commissions. The appointment of M. Legrelle to be Procureur-Général brought to light some gross abuses in the administration of justice. In 1889, the Commissions were abolished. Shortly afterwards, Sir John Scott was appointed to be Judicial Adviser; from that time, justice began to be properly administered in Egypt.

Since then, I have always felt that it was a blot on the administration of justice in Egypt that the men, who had been condemned by the Brigandage Commissions, should be allowed to remain in prison. The question, however, presented considerable

difficulties. I never entertained any doubt that many of these men had been condemned on very insufficient evidence. On the other hand, there could be equally little doubt that some of them were very dangerous criminals, who richly deserved their sentences. It was difficult to try each case separately over again. Eventually, Mr. Morice undertook a laborious inquiry, which he has conducted with great skill and judgment.

The following extract from Mr. Morice's Report is sufficient to give some idea of the mode of proceeding of the Commissions:

"Although in the Khedivial Decree instituting these Commissions, it was directed that the proceedings should be conducted as expeditiously as possible without interruption, and it was also provided that the principles of procedure laid down by the Code of Criminal Instruction could be disregarded, it certainly was not intended that the accused should not obtain a fair hearing. The view, however, of the authorities appears to have been that, a crime having been committed, it was necessary, at all costs, that some individual should be arrested in connection therewith, and the manner in which these arrests were effected left much to be desired. I have, of course, only had to deal with a certain number of cases, but in many of these the most unjudicial means of obtaining convictions were resorted to.

"I may here state that in the 126 cases examined, I have never once come across any witnesses for the defence; it would, therefore, seem to have been generally decided that this was not of any importance; individuals once arrested and brought before the Commission seem to have had little chance of regaining their liberty. I was so struck by the total absence of any defence being set up by the accused, apart from a denial of the charge, that I closely questioned those men in whose cases, after a careful examination of the documents, I had formed a conviction that they had been most unjustly sentenced, and I was invariably informed that, although they, at the time of their trial, stated that they could produce witnesses to prove their innocence, their demands were never listened to, but they were informed that one thief's word was as good as another's, and that witnesses produced would be treated as accomplices, &c. Indeed, it was sufficient for one man, whose guilt was fully established, either by recognition on the part of the victim of the assault or robbery, or by the finding of stolen property in his possession, to accuse another, for this latter to be sentenced to a very severe term of imprisonment. I have been told the most pitiful stories by convicts I have interrogated concerning the terrible treatment they received when in prison, a treatment which, it is needless to say, invariably ended in a confession being obtained. One has only to examine the preliminary inquiries in order to be convinced of this. I have invariably, when interrogating these convicts, asked them if at any time they could have produced witnesses to prove their innocence, and, although, in most cases, twelve and fourteen years have now passed since they were sentenced, they have been able to recall names; I have, where I thought it necessary, made personal inquiries which have been favourable to the accused."

I may add that, in the course of Mr. Morice's inquiries, it was elicited that, during the time the Commissions were sitting,* the Ministry of the Interior had not merely connived at the use of torture to extract evidence, but had even encouraged it.

When Mr. Morice took the matter in hand, there were 109 persons in prison under sentence of the Commissions. In respect of 52 of these, of which 42 are life sentences, Mr. Morice says:—"I see no reason for interfering with the sentences of these convicts." Five have died in prison. The remainder have been released.

I can only conclude by saying that I greatly regret that this inquiry was not undertaken at an earlier date.

Mohamedan Law Reform.

Turning to the question of Mohamedan Law reform, I have to observe that the work of the Commission, to the appointment of which I alluded last year, was practically suspended owing to the illness—which, I regret to say, terminated fatally whilst this Report was in course of preparation—of the Grand Cadi.

Steady progress is being made in the work of reorganizing the various Mehkemehs. At the Grand Mehkemeh of Cairo, 8,654 registers have been sorted, indexed, and classified; 4,661 registers have been similarly treated in Alexandria, and a large number in the other principal provincial towns. "We are still," Mr. McIlwraith

* This happened subsequent to the resignation of Nubar Pasha in 1888.

writes, "a long way off the completion of the arduous task of evolving order out of chaos in the registry offices of the seventeen central Mehkemehs of Egypt, but the work proceeds steadily and methodically, and there is every reason to believe that it will eventually be completed."

Education.

The Legislative Council recently drew attention—not for the first time—to the educational wants of the country. I need hardly say how gladly I welcome the interest which the members of the Council manifestly take in this important matter, and how heartily I sympathize with any efforts which they or others may make to improve and extend the educational system of the country.

It may, perhaps, be of some utility if I make a few suggestions as to the directions which, as it appears to me, those efforts may most advantageously take.

A very large proportion of the educated youth of Egypt look forward to entering the service of the Government. In my Report for the year 1898 ("Egypt, No. 3, of 1899," p. 47), I analyzed the composition of the Egyptian Civil Service. I pointed out that there were at that time no less than 10,600 Egyptians serving the Government in various civil capacities.*

There can be no doubt that, if the necessities of the administration and the interests of the general body of taxpayers were alone considered, it would be desirable to diminish very largely the number of subordinate officials, and to increase the salaries of many of those who would be left. There is no intention of adopting any such drastic measure. It would involve great hardship to many very deserving individuals and to their families. It would cause an amount of discontent, perhaps incommensurate with the advantages which would be secured. It would be an unduly brusque departure from established custom, and would necessitate the infringement of rights which, from an equitable, though, perhaps, not from a strictly legal point of view, may reasonably be considered as, in some degree, vested.

Whilst, however, it is neither necessary nor desirable to adopt any heroic remedy to check the redundancy of native officials in Egypt, it is none the less true that the probable tendency of the rapidly-advancing improvement and civilization of the country is to diminish, rather than to increase, the need for officials of certain classes. A moment's reflection will suffice to show the truth of the proposition I have ventured to put forwerd.

To those who have studied the annals of the recent past it is abundantly clear that, in a great many cases, the Government, by its own defects, evoked the necessity for employing an exceptionally large number of officials. It naturally follows that, as the Egyptian system of administration is gradually freed from the defects, the necessity will cease to exist. I give a few instances in illustration of my meaning.

The Domains and Daira estates were acquired by means on which I need not dwell; they are well known to the people of this country. Before long, the large and costly Administrations, which for many years have had charge of these estates, will cease to exist. The gradual sale of the properties, which formerly belonged to Ismaïl Pasha, has been an unmixed benefit to the people of Egypt generally, but the measure necessarily involves the discharge of a large body of officials who have gained their livelihood by employment in services which, save for the fault of the Government which created those services, would never have existed. The abolition of the tolls heretofore levied on boats navigating the Nile, and the changes in connection with the Fisheries Administration and the Salt Department, to which I have alluded in this and previous Reports, are highly conducive to the interests of the whole population; but in all these instances a certain number of officials, whose services were rendered necessary by the adoption of faulty fiscal systems, have been thrown out of employment. Other analagous cases might be cited. The adoption of what, in Egypt, is the novel principle that the Government is the trustee of the public money, and that, in the interests of the general body of taxpayers, the multiplication of officials is to be avoided, cannot, in fact, fail to inflict hardship in individual cases.

The situation is, however, not without its compensating advantages, both for the youth of Egypt and for their parents, who are naturally concerned in the future careers of their sons. The remarks which I have made above apply more particularly

* At the same time the number of European civil servants was 1,270; of these, 455 were British.

to those whose acquirements are general rather than special, and who seek to enter the service of the Government in various miscellaneous capacities, usually involving sedentary work. On the other hand, as the country advances, there will probably be a greater need for lawyers, engineers, doctors, skilled agriculturists, electricians, and others possessing special knowledge. In all these professions a livelihood may be gained outside the Government service. The facts to which I am about to allude in connection with the Agricultural College and the Boulac Technical School are, from this point of view, full of encouragement. It will be seen that the demand for those who possess technical knowledge is, at present, in excess of the supply, and that the pupils, who have been trained at the special institutions to which I have alluded, have found no difficulty in at once obtaining employment.

These considerations lead me to the conclusion that attention should, more especially, be directed to technical education in all its various branches. I have so far only alluded to the legal, medical, and other liberal professions. I cannot but think, however, that a wide field is open for the employment of Egyptians in somewhat more humble spheres of life. At present a very large proportion of the skilled artificers employed in Egypt are foreigners. The contractors, who have been recently constructing the Nile dams, have been obliged, at great expense, to import large numbers of Italian stone-cutters, owing to the fact that artisans possessing the required skill are not to be found in Egypt. I may mention also that the reoccupation of the Soudan has opened out a further field for the employment of Egyptian artisans. During my recent visit to Khartoum, I was much struck by the fact that, for the time being at all events, there does not appear to be a single native Soudanese capable of sawing a plank or of building a brick wall.

I think, therefore, that more technical schools are much required. I have recently discussed this question with various authorities in this country, and I find a very general disposition to acquiesce in the desirability of moving in the direction of technical education. I trust that the initiative in this matter will not be left entirely to the Government, but that, should any practical scheme be devised, the co-operation of the leading members of Egyptian society may be secured. The class of school which I should like to see created is one in which reading, writing, and arithmetic would be taught in the vernacular language, and some attention paid to gymnastics and physical training. The main object should, however, be to afford instruction in trades, and to introduce improved, but not highly elaborate, processes of manufacture.

I should remark that, in dealing with every branch of the educational system, it is important to bear in mind the necessity of making whatever institutions are created partially self-supporting. That they should be wholly self-supporting is, I fear, not to be anticipated. It is not merely financial necessity which renders the enforcement of this principle desirable. Other equally important considerations have to be taken into account.

I am unwilling to say anything which might appear to discourage education of any kind. I cannot, however, help remarking that the system of gratuitous education tends in Egypt to turn out from the schools a number of young men who would probably be far happier and far more useful citizens if, instead of endeavouring to rise in the social scale—which usually means looking forward to obtaining a Government clerkship—they had remained in the ranks of the society in which they were born, and had devoted themselves to some useful and honourable trade or handiwork.

I am glad to say that the Department of Public Instruction recognizes the evils of the gratuitous system, and has, for many years past, endeavoured to rectify them. In 1879, no less than 95 per cent. of the pupils attending the Government schools paid no fees. Last year, 98½ per cent. of the boys in the higher primary schools, and 86 per cent. of those in the secondary schools, were paying pupils. I trust that this policy will be steadily continued, until the system of gratuitous education is wholly, or almost wholly, abolished.

Female education is, in view of the ultimate results to be obtained, of even greater importance than technical education. Here, again, I invite the assistance and co-operation of all Egyptians who are really interested in the progress of their country. I cannot, of course, attempt in this place to deal adequately with all the ramifications of this important social question, but I wish to state my very strong conviction, based on some thirty years of sympathetic intercourse with Orientals, that the East can never really advance unless some thorough—but, of course, gradual—change be made in the position of women. Education is, I need hardly say, only a

part—albeit, an important part—of the general question. I shall presently show that a fairly satisfactory commencement has been made in the direction of educating Egyptian girls; but a long time will necessarily have to elapse before any very marked general results can be obtained.

Lastly, I wish to express my cordial agreement with the members of the Legislative Council as to the importance of improving and developing the instruction afforded in the indigenous vernacular schools. I shall presently state in greater detail what is being done in connection with this matter. For the moment, I wish only to allude to one important question of principle.

Amongst the many anomalies which exist in this country, perhaps one of the strangest is that, to the best of my belief, the young Egyptians generally are, at the present moment, more anxious to learn the English language than the English are to afford instruction in their own tongue. The reason is obvious. The Egyptians, as a rule, think that they will have a better chance of obtaining Government employment if they know English than if they are ignorant of that language. Within certain limits, they are probably right. The English, on the other hand, provided they are really acquainted with Egyptian circumstances and requirements, regard the matter wholly from an educational point of view. They have no desire to Anglicize the country. They wish to confine the study of foreign languages, whether English or French, to what is really necessary and useful to the Egyptians themselves. They are not led away by the superficial, and, in my opinion, generally erroneous view, that the study of French or English necessarily connotes the creation of French or English political proclivities. They would see with reluctance the undue growth of a class of Egyptians, many of whom would probably be doomed to disappointment in their aspirations for obtaining Government employment, who would, therefore, become discontented, and who would probably succeed better in life if the time passed in linguistic study had been devoted to other matters.

According to the most recent statistics, there are now 5,835 boys and girls studying a foreign language in the schools and colleges under the direction of the Department of Public Instruction. Of these, 4,984, or 85 per cent., are studying English.

In these cases, instruction in a foreign language is a necessity. Amongst other reasons, it may be observed that, without such instruction, proficiency cannot be acquired in the large number of subjects for which no text-books exist in the Arabic language. But to go further than this would be not only undesirable, but hurtful. I deprecate, therefore, most strongly, any attempt to introduce the teaching of foreign languages as part of the curriculum of the village schools. Instruction at those schools should continue, as at present, to be imparted solely in the vernacular language.

To sum up what I have to say on the general question of education, I venture to think that the efforts of those who are interested in this matter should, for the time being, be more especially directed to the improvement and extension of technical instruction, to female education, and to the development of such a general system of primary instruction, through the agency of the village schools, as shall in some degree raise the general standard of knowledge throughout the country. It is to be remembered that, according to the last census, 89·5 per cent. of the men, and 99·7 per cent. of the women amongst the Egyptian population, are unable to read or write.

Female Education.

The change which has come over Egyptian public opinion during the last few years in the matter of female education is certainly remarkable. Personally, I have always regarded the degree of interest shown in this subject as one of the best tests by which to judge whether any hope could be entertained that moral progress—which depends largely on the exertions of the Egyptians themselves—would, to a certain degree at all events, keep pace with material progress, which is more capable of being accelerated by foreign influence. It is no exaggeration to say that, a few years ago, Egyptians generally were not merely indifferent to the subject of female education. Their attitude was not unfrequently hostile. At one time, I occasionally endeavoured to elicit an interest in the matter amongst those in authority, but I never achieved more than a very partial success. I always hoped, however, that, if a commencement were made, the popular interest would in time be aroused. The result has exceeded my expectations. I give below the figures of the attendance at the girls' schools,

which are either under the direct management of the Government, or are inspected by the Department of Public Instruction :—

	Girls.
Government "Kuttabs"	643
Private "Kuttabs" under inspection	997
Government Higher Primary Schools	220
Private Higher Primary Schools under inspection	167
Normal Department (for training of female teachers), attached to Sanieh Higher Primary School	4
Training School for Nurses and Midwives	19
Total	2,050

The numbers are, of course, inconsiderable when compared to the total female child population of the country, but this is very probably to be attributed quite as much to want of schools as to any reluctance to take advantage of them where they exist. Even as the figures stand, however, they are remarkable. They constitute, I venture to think, a proof that the prejudices heretofore entertained against female education have been greatly shaken.

Last year, seventeen girl candidates presented themselves at the examination for the Primary Education certificate, an examination which is open to both boys and girls. Five of the girls obtained the certificate. I am informed that one of these stood as high as seventeenth in order of merit on a list of 712 successful candidates.

No Egyptian woman has as yet been trained for the teaching profession, although, by reason of local usages, the introduction of any extended system of education for girls in Egypt must mainly depend upon an adequate supply of female teachers. The success, however, of girl candidates at the Primary Certificate examination last year has made it possible for the Department of Public Instruction to attempt, for the first time, to form the nucleus of a Normal School for the training of female teachers. Four of the five girls who obtained the certificate have been admitted to the new Training Department attached to the Sanieh Primary School for Girls.

Village Schools ("Kuttabs").

The attempt to direct the instruction given in the "kuttabs" through the operation of the grant-in-aid system has been fully justified by the increased number and efficiency of the schools submitting to the conditions required in order to obtain the grant. Out of 9,404 private "kuttabs" which, according to the latest Returns, exist in Egypt, 483 have, during the past year, applied for inspection under the grant-in-aid system, and of these 246 have received pecuniary assistance. This, compared with the results of the two previous years, shows a marked improvement.

That 483 schools, out of a total number of 9,404, are but a small number to bring under control is obvious; but the numerical proportion must not be considered as a trustworthy gauge of the effect which the grant-in-aid system has had on vernacular education. Simultaneously with the increase in numbers, and more important as evidence of the influence of Departmental control, must be noticed the marked preference shown by parents and others concerned for schools submitting to inspection. This preference is proved (1) by the increase in the number of applications for admission, which in many cases far exceed the school accommodation; and (2) by the occasional closing of schools which have not been recognized by the Department.

The grants-in-aid awarded last year absorbed the entire funds available, viz., £ E. 1,000, as compared with £ E. 719 in 1899 and £ E. 491 in 1898. With a view to enlarging the sphere of action within which this system may be introduced during the current year, provision has been made in the Estimates for 1901 for an additional £ E. 500, the total amount available for the purpose of grants-in-aid being thus increased to £ E. 1,500.

Besides the 483 private schools which were under inspection, the Public Instruction Department had under its direct control during the past year 86 schools, containing a staff of 145 teachers and attended by 3,966 pupils (3,323 boys and 643 girls).

In all, the Public Instruction Department had last year, either under inspection or directly under its management, 569 "kuttabs," attended by 16,281 children.

The question of developing and improving these schools is wholly one of money. It is manifest that, as the financial situation improves, larger sums will have to be devoted to grants-in-aid.

Training Colleges for Teachers.

The demand in all parts of Egypt for trained teachers—especially native teachers of English—is far in excess of the annual output of students by the Training Colleges. The initiation of educational work in the Soudan is likely to increase the difficulty hitherto experienced in meeting this demand. Only three students were admitted during the past year to the Tewfikieh Training College for native teachers of English, and the subjects taught in English. The total number of students in attendance at that College is ten. At the only other Training College for teachers—the Nasrieh Training College for teachers of Arabic and the subjects taught in the vernacular in primary and secondary schools—the total number of students was sixty. All the students in these Training Colleges are not only on the non-paying list, but are likewise in receipt of scholarships. On no other terms can young Egyptians, who possess the secondary education certificate, be attracted to the teaching profession, so comparatively small is the number of pupils with this essential qualification, and so powerful are the rival attractions of more popular and more remunerative vocations.

School of Law.

As regards this institution, I would draw attention to the subjoined remarks, which I quote from Mr. McIlwraith's recent Report :—

"I presided," Mr. McIlwraith writes, "as usual at the annual examination last June, and was, on the whole, satisfied with the results. The standard of proficiency remains about the same for the majority of students of the fourth year, whose respective attainments differ very little in quality or degree. This lack of individuality is doubtless, however, no fault of the professors of the school. The French and kindred systems of training do not, in general, make for individuality, as was well pointed out the other day by Mr. Barclay in an article contained in the April number of the 'Journal of the Society of Comparative Legislation,' entitled 'The Teaching of Law in France,' in which he demonstrated the superiority, in this respect, of the English system—or, perhaps it would be more accurate to say, absence of system—which tends to self-education and specialization. And this characteristic of the French system becomes intensified when in contact with Oriental constitutions and habits of thought. This is a matter on which I laid some stress in my Report on the examinations at the School of Law in June 1898, but I am well aware that the suggestions I then made for the infusion of a rather more practical spirit into the present curriculum encounter exceptional difficulties in Egypt. Still, it is perhaps worth considering whether a little more might not be done in this direction than is done at present."

On a subject of this sort, I cannot, of course, pretend to speak with the same authority as Mr. McIlwraith. At the same time I am sufficiently acquainted with Egyptian character and habits of thought to enable me to state my conviction that Mr. McIlwraith has indicated a point which, in legal, as in all other training in this country, is deserving of the utmost attention. Throughout the educational system, whatever tends to make the young Egyptian less rigidly automatic—or, in Mr. McIlwraith's words, whatever tends "to make for individuality"—should be warmly encouraged.

The English section, which was recently added to the School of Law, appears to be working satisfactorily. There are at present only three English lecturers, but one, or perhaps two others, will soon be appointed.

The building in which the School of Law is located is very unsuitable for the purposes to which it is devoted. I understand that the construction of a new building will shortly be commenced.

The Technical School at Boulac.

The only important technical school in Egypt is that situated in the Boulac quarter of Cairo.

A few years ago this school was attended almost exclusively by non-paying pupils, who did not possess the rudiments of an elementary education. Recently, a higher class of pupils has applied for admission, but even now the proportion of non-paying pupils is two-thirds of the total attendance.

Since 1896, the same standard of general education as is required of applicants for admission to the secondary schools has been gradually adopted in the case of the Boulac Technical School. Of the 331 pupils in attendance last year, 206 had obtained the primary education certificate before being admitted to this school. In the case of the telegraphy class, from which all the telegraphists (145) appointed by the Egyptian Government Telegraph Administration since 1896, have, without exception, been selected, none but holders of the Primary Education certificate are admitted. This test in general education is rigorously enforced by the Telegraph Administration, in accordance with the sound principle that a high standard of technical education can only be attained on the basis of a good general education. At the request of that Administration, the maximum number of pupils to be admitted to the telegraphy class was increased last year from 50 to 60. Last year, also, at the request of the Railway Administration, a new course of practical electricity was added to the school programme, with the view to training young Egyptians as electricians for service in that Department.

The applications received last year by the Director of the school from private factories and business firms throughout the country for the services of pupils who had completed their course of training, were more numerous than in any previous year, and the supply of pupils for the vacant posts is not nearly equal to the demand. All the 83 pupils who obtained the diploma of the Boulac Technical School last year are now employed at salaries ranging from £E.36 to £E.120 per annum, those in receipt of the highest salaries being in the employment of private firms or companies. Since 1889, all the 792 pupils without exception, who have successfully completed their course of training in this school, have found employment as follows :—

Egyptian State Railways (including Telegraph Administration)	407
Public Works Department	82
Other State Administrations	126
Private industries	177
Total	792

The Boulac Technical School has outgrown the limits of its present accommodation, and the site which it now occupies is urgently required by the Railway Administration for the extension of the workshops immediately adjoining the school premises. A new site for the school has been acquired at Abbassieh by the Public Instruction Department, and it is hoped that before long the construction of another building may be undertaken.

School of Agriculture.

The School of Agriculture is a very popular institution, and is certainly rendering good service to the country. Every year the number of pupils belonging to the land-owning class, who apply for admission to the College, is increasing.

At present there are 54 pupils undergoing a course of instruction at the College. Of these 34 are Egyptians, and 20 are Europeans.

At the final examination last year, 9 pupils (7 Egyptians and 2 Greeks), obtained the school diploma. One of the Greeks has joined the University of Edinburgh, where he will continue his studies. The remaining 8 pupils have all obtained employment.

A specially satisfactory feature in connection with this institution is that those who leave it need not look exclusively to the State to find them occupation and a means of livelihood. As a matter of fact, many of those to whom I allude above have entered the service of large landed proprietors. Indeed, for the moment, the demand for young men who have undergone an agricultural training is in excess of the numbers which the College can supply.

Polytechnic School of Engineering.

Remedies have, I am glad to say, been applied to the defects in this institution, to which I have alluded on previous occasions. The regulations and syllabus of the

school have been entirely recast by a Commission, over which the late Mr. W. J. Wilson, Director-General of the Reservoirs, presided.

"It is a sign of progress," Mr. Douglas Dunlop writes, "that in a school attended hitherto by none but students who received scholarships as a bribe to come to it, the scholarship system was abolished in the case of all the new students admitted last year." Here, as elsewhere, the Department of Public Instruction has very wisely set its face against the system—which at one time was almost universal in Egypt—of affording gratuitous education. The interests of the school do not appear to have suffered. On the contrary the attendance is steadily increasing, as the following figures will show:

	Pupils.
1897	16
1898	28
1899	43
1900	50

School of Medicine.

I alluded in my Report of last year to the want of a qualified professor of anatomy at the School of Medicine. This want has now been supplied.

The most recent reports of the Examiners show that a satisfactory standard of knowledge is generally attained by the pupils at the School of Medicine. Eight diplomas were granted last year to pupils who had passed the necessary examinations. Fifteen new students were admitted into the school.

Here, as with the Polytechnic School, all scholarships have, in the case of new admissions, been suppressed.

Before leaving the subject of the technical schools and colleges, I ought to mention that an institution where veterinary science would be taught is much required, both in Egyptian and in Soudanese interests.

Agricultural Society.

Agriculture interests the mass of the Egyptian population, from the highest to the lowest classes, probably more than any other subject. It is not, therefore, surprising that the Agricultural Society, which was established two years ago under the Presidency of Prince Hussein Kamil Pasha, has proved an unqualified success. 269 new members joined the Society during the course of last year. The total number of members is now 708.

The journal of the Society, which is distributed gratis to its members, is, I have reason to believe, read with interest. Besides the journal, pamphlets have from time to time been issued dealing with the cotton worm, the method of combatting weevil in grain, and other similar subjects.

In spite of bad weather and other adverse circumstances of an exceptional character, the show, which took place during the last week of January 1901, was most successful. I was especially struck with the pains taken by the British exhibitors of agricultural machinery. They appeared to be far more numerous than those of any other nationality. The quantity of machinery sold was remarkable. It is possible that, after all, Egyptian agriculturists are not so indisposed to adopt new methods, when they are really suited to the requirements of the country, as is often supposed. The advice I venture to give to British manufacturers is to study those requirements carefully. This, indeed, is what—as I was very glad to observe—they appear to be doing, at all events as regards the particular class of machinery now under discussion.

The Society again undertook the selection of cotton seed for distribution amongst the poorer class of cultivators. About 45,000 bushels were thus distributed, the cost being subsequently collected with the taxes. The Society also collected seed for larger cultivators against cash payments.

Since the formation of the Society, a great stimulus has been given to the use of manures. The Government, at the request of the Society, consented to allow manures to enter the country free of duty for a period of five years. The result is that a considerable trade has sprung up in nitrate of soda and other similar substances.

I take this opportunity of mentioning that last year about 4,000 acres of land in Egypt were cultivated with beet. I am informed that, from the point of view of saccharine yield, a better result has been obtained than in most beet-growing countries, but that the yield per acre has not been altogether satisfactory. It is possible that the experience now gained may lead to the adoption of somewhat different methods of cultivation. Should the experiment eventually prove successful, the amount of sugar exported from Egypt will probably be increased.

Prevention of Cruelty to Animals.

I regret to say that the subscriptions and donations to the funds of the Society for the Prevention of Cruelty to Animals in 1900 fell short of those in 1899 by £ E. 120. Further, in 1900 no public performance was given in aid of the funds of the Society. In 1899, £ E. 200 was raised by this means. Under these circumstances, it is greatly to the credit of Mr. Hohler, the Honorary Secretary and Treasurer of the Society, and those working with him, that the accounts of the year show a very small surplus, viz., £ E. 15.

The Society is doing work which is both humane and of considerable practical utility in the principal towns. It is greatly to be hoped that it will receive sufficient encouragement from the public to enable its operations to be continued, and, if possible, extended. Outside the large towns, there is, I fear, as yet but little improvement in the treatment of animals. On this subject, Mr. Hohler says in his report for last year:—

"Attention is constantly being called to the treatment and condition of animals in the provinces. There is considerable difficulty in applying the law satisfactorily outside Cairo, but endeavours are being made to extend the scope of the Society's action as widely as possible."

I understand that the Society which exists at Alexandria continues to do very good work with the limited means at its disposal.

Zoological Gardens.

Special attention was in 1900, as in the previous year, paid to the fauna of the Nile Valley. On the 6th October, 1900, there were exhibited 670 animals, representing 169 species, as compared to 473 animals, of 132 species, at the corresponding date in 1898. The most important acquisitions have been a giraffe, presented by Lord Kitchener, and a white oryx, from Kordofan, presented by Sir Reginald Wingate.

The staff of the Gardens was mainly employed during the year in rebuilding and repairing cages. An elephant-house has been built, and plans are being prepared for a new lion-house.

The Gardens appear to gain in popularity. They were visited by 44,296 persons in 1900, as compared with 43,567 in 1899.

Nile Fish Survey.

The collecting of fish was, during the early part of the year, extended as far as Abu Hamed, and at present Mr. Loat, the specialist selected by the authorities of the British Museum, is working on the White Nile. A considerable number of plates, which will eventually be published, have been printed, and material from which others may be drawn has been obtained. A severe loss was sustained last year in the death of Dr. John Anderson, F.R.S., whose knowledge and experience made his advice of the greatest value in carrying out a work, which was taken in hand owing to his initiative.

Egyptology.

Under the very capable direction of M. Maspero, a great improvement has recently taken place in the working of all branches of the Archæological Department. Notably, the appointment of two English Inspectors-in-Chief has done much to preserve the monuments, both in Lower and Upper Egypt, from further depredation and mutilation.

An arrangement has been made with the Ministry of the Interior, under which

the local Omdehs and police officers are to exercise a certain amount of control over the monuments within their district. The necessity for making some arrangement of this sort has for long been felt. It is satisfactory to learn that M. Maspero reports that the measure has already produced good results. Several persons have been convicted and punished for illicit digging and for stealing, or damaging, portions of the monuments.

Work has been proceeding at Karnak. It will be remembered that eleven columns in the Great Hall fell to the ground during the flood of 1899. Five further columns appeared to be in some danger of falling. Under the direction of MM. Legrain and Ehrlich, who have performed this difficult work with great skill, these columns have now been dismantled; others have been strengthened and repaired, The débris of the stones, which had fallen, has been removed, labelled, and arranged in such a manner as to render it possible, should it ever be decided to rebuild these columns, to replace each separate stone in the precise position which it formerly occupied.

I am informed on high technical authority that, in spite of every precaution, the remaining portions of this splendid monument of antiquity will of necessity be exposed to considerable risk every year at the period when the sub-soil water is falling. A very heavy expenditure of money would, without doubt, minimise this risk, but it is doubtful whether, under any conditions, it will be possible to obviate it completely.

The bases of the columns are of insufficient strength; the soil is unstable; each column supports an immense weight in the shape of roofing-blocks; and the whole structure has been erected without mortar, and without bond of any sort.

The principal tombs at Thebes have been closed by gates. The tomb of Amenophis II has been so arranged that the royal mummy remains *in situ*, and can be seen by visitors. M. Maspero is studying a project for lighting these tombs by electricity, so as to obviate the destruction to the wall paintings caused by the candles used by visitors.

At Sakkarah, the tombs recently excavated by M. Loret have been arranged so as to render inspection easy.

The excavations made at the pyramid of Ounas, with a view to exposing the general arrangement of the burial places of the Memphitic Pharaohs, have brought to light the ruins of the mortuary chapel and catacombs of the Royal Family. In one of these, some jewellery and gold enamel work was found and lodged in the Ghizeh Museum.

Excellent progress was made during the past year in the building of the new Museum. The roofing has been completed. So also has the principal façade, with the exception of the marble tablets and the bas-reliefs. The exterior plastering is practically finished, and good progress has been made with that of the interior of the building. Some specially trained workmen have been brought from Venice for the construction of the mosaic flooring.

A temporary railway is being laid down to connect the new building with the existing museum at Ghizeh. This will greatly facilitate the transport of the larger and heavier objects from one building to the other.

It is hoped that the new building will be ready for occupation by the end of the current year. I trust this anticipation may be realised. It will be a considerable relief to all who are in any degree responsible for the government of Egypt when the priceless art treasures now stored at Ghizeh are lodged in a fire-proof building.

The expenditure incurred on the Museum up to the end of 1900 was about £ E. 169,000, of which £ E. 37,000 was spent in the course of last year. The total cost will be considerably in excess of the original estimate, but, speaking without any pretension to technical knowledge on the subject, I may say that, in view of the size and importance of the building, it does not appear to me to be excessive.

Some modifications, having for their object to ensure more rapid progress, have been introduced into the plan originally made for preparing a complete catalogue of the contents of the Museum. Three volumes are now being printed, and three more are being revised for publication. Seven volumes are under preparation, and will probably be sent to the printers in the course of the current year. It will be seen, therefore, that good progress is being made, but some considerable time must elapse before the very laborious task, which has been undertaken by the authorities of the Museum, is completed.

The cost of making the catalogue will be in excess of the original estimate. The Commissioners of the Debt have made a fresh grant of money in order to enable the work to continue.

Preservation of Arab and Coptic Monuments.

The work of preserving and, to a certain limited extent, of restoring the monuments of ancient Arab art in Cairo, has made some steady progress during the past year.

Work was undertaken at fifteen mosques and tombs. The most important repairs were those executed at the mosque of El-Mardani, and at the old fortress of Kasr-el-Shamaa (Babylon).

In some cases the hovels, &c., which had clustered round the ancient buildings, were bought up and removed.

The total expenditure amounted to £ E. 7,200, of which £ E. 3,200 was provided by the Wakfs Administration.

Of the sum of £ E. 20,000 granted some few years ago by the Commissioners of the Debt, £ E. 5,200 remained unexpended at the close of last year.

A sum of £ E. 2,000 was allotted by the Committee for the Preservation of Ancient Monuments to be expended on Coptic churches, many of which are, from an historic and archæological point of view, of the highest interest. The expenditure of this money was made conditional on the Coptic Community contributing some further sums themselves. I am glad to be able to report that the Coptic Patriarch has now consented to contribute a sum of £ E. 250 annually.

The masonry of the new Arab Museum has been completed up to the level of the first floor. The building may possibly be ready for occupation by the end of the current year. A large amount of external decoration remains, however, to be done, and progress on work of this description is necessarily slow. The total expenditure on the building, up to the close of last year, was about £ E. 34,000, of which £ E. 14,000 was spent in the course of 1900.

The Government has made over to the Committee the revenue of 535 acres of State land, yielding about £ E. 2,050 a-year, for the maintenance of the museum.

Conclusion.

I cannot conclude this Report without expressing my hope and belief that his Highness the Khedive's recent visit to England, coupled with the very remarkable and touching sympathy displayed by every class of society in this country on the occasion of the death of the Queen, will serve to cement more closely the bonds of friendship and goodwill which now, perhaps more than at any previous period, unite my own countrymen and the Egyptians. It is certain that, as each year of the occupation has passed by, the British officials in the service of the Egyptian Government have acquired a more and more intimate knowledge of the language, manners, and customs of the Egyptians, and a greater aptitude for recognizing the administrative requirements of the country. On the other hand, I trust that I am not mistaken in thinking that year by year the Egyptians themselves appreciate more and more fully the fact that every Englishman employed in Egypt owes his appointment solely to the consideration that his presence is conducive to their own welfare. On no single point, indeed, can there be any question of a divergence between British and Egyptian interests. The British Government and the British nation are concerned in the special point, which is also of the deepest interest to the Egyptians themselves, namely, the good government of Egypt and the prosperity of its inhabitants.

I have, &c.
(Signed) CROMER.

Inclosure 2 in No. 9.

Report by Mr. F. Trevithick.

Locomotive and Carriage Department.

WITH the rolling-stock, which has made satisfactory progress, we have had some interesting experiences in the comparative utility of the English, American, and Belgian makes.

The English make of rolling-stock and machine tools has been largely and successfully used in Egypt since the commencement of its railways, and the working staff is thoroughly conversant with its use. The English stock that has been introduced since 1885 consists of 31 locomotives, 18 sets of boilers, cylinders, and gear work, used in remodelling an equal number of locomotives of the original stock, 70 first class carriages, 600 waggons, and 1,075 sets of metal-work for the construction of waggons in Egypt. Besides this, 12 locomotives are shortly due; 10 are passenger engines, slightly exceeding in weight and power our standard type, and 2 are powerful trial engines—one passenger and one goods—weighing respectively 65 and 68 tons (working order).

The equipment of American make now in use is 20 locomotives, 300 waggons, and 9 machine tools; besides these there are 22 locomotives which have not as yet been put into traffic. The 20 locomotives that are in use are of the freight type, and of similar weight and power to the engine we are in the habit of using on these railways; they have been manned by drivers and firemen of Egyptian nationality only, and, inasmuch as they have already run an average of nearly 70,000 miles without having entered the workshops for general repairs, they have earned for themselves a satisfactory reputation as regards design and quality of material.

The 22 engines that are on order consist of 2 trial engines—one passenger and one goods, of 65 and 67 tons weight respectively (working order)—10 passenger and 10 shunting engines, which slightly exceed in weight and power our standard engines. The two trial locomotives were supplied by Brooks, the remaining 40 by Baldwin.

The workmanship of these locomotives, with the exception of the working parts, is rough, and far short of the finish that is considered desirable by European engineers, and it would be a satisfaction if a mutual standard of finish could be fixed, in order that firms might compete on the same basis. The expense incurred in neatly finishing portions, other than working portions, is very considerable, and goes far to account for the difference of cost between the American and English make of locomotive, while it is difficult to gauge to what extent a high standard of finish is fruitful of good through the greater interest and care the working staff is likely to take in attending to a well-appointed machine.

The make of American and English locomotives differs so widely that it does not follow that two engines, one American and one English, of similar weight and power, and equally good in design and quality of material, should give the same good result in a strange land, where for many years the working staff has been accustomed to the use of the latter type. In introducing a new type, intricate details have to be simplified to suit the capacity of the mechanic, and the latter trained to the new conditions, and thus it was that time and attention had to be bestowed on these twenty engines before they settled down satisfactorily to their work. On the score of coal consumption I cannot speak with authority, as these engines have been engaged in comparatively light traffic, but I am inclined to think that their rate is high. These two conditions in a country like this, where the mechanic adapts himself slowly and unwillingly to changes, and where coal is expensive (25*s.* a ton), must ever be important factors when comparing the utility of the English and American locomotive for use in Egypt.

The 300 waggons are of 30 tons carrying capacity; the workmanship is rough to an extent affecting their satisfactory working, but it is an example of what can be accomplished by labour-saving appliances; with further experience and attention, waggons so constructed will doubtless give every satisfaction. Our experience with these waggons has shown an abnormal wear between the bogie bolsters and the stirrups supporting them. These defects having been brought to the notice of the manufacturers, they at once sent out an expert, who forwarded to them such defective portions and information as enabled them to realize the mischief that was taking place,

with the result that, upon their own initiative, they are sending out duplicates to replace the parts, throughout the 300 waggons, which have shown abnormal wear. This expert, who has been connected with the construction of this type of waggon from its creation, was at a loss to account for such (in his experience) unprecedented wear, and could attribute it to no other cause than the continual heat and absence of moisture, combined with the quantity and gritty nature of the dust of Egypt, an explanation that fully bears out our experience that it does not follow that arrangements, which work admirably in America and Europe, will work satisfactorily here.

The nine machine tools comprise five wheel turning lathes, two turret lathes and two surface grinders, one of light construction and the second a much heavier machine. The wheel lathes are light in construction but leave nothing to be desired in their action; the turret lathes and light grinder are models in design, material and workmanship; whilst the heavier grinder combines simplicity and utility to perfection. In my opinion the American make of special tools is unsurpassed.

The stock that has been supplied to this Administration by Belgium since 1886 consists of 202 locomotives, 36 sets of boilers, cylinders and gear work used in remodelling an equal number of locomotives of the original stock, 14 tubular waggons, 376 sets of metal work for the construction of carriages and 3,620 sets for the construction of waggons; besides this the whole of the metal work used for the roofs of the new Boulac workshops and the 8 overhead lifting cranes are of Belgian manufacture.

The 202 locomotives of Belgian make, although (with the exception of 24) constructed to the same drawings and specification and exactly similar, so far as the eye can judge, to 28 others of English make, have given very different results. The difference has been most marked in the case of the boiler tubes, a large percentage of the temporary disablements of engines which have been reported lately having been due to burst boiler tubes.

Boiler tubes which are made to the same drawings and specification and worked under similar conditions should, if made of equally good quality of material, give equally good results, but instead of this we find that the average life of the boiler tubes of the six express engines constructed by Kitson in 1889 was nine years and eight months during which time they ran an average of 252,206 miles as against an average of but five years and five months and 146,364 miles in the case of four similar engines constructed by the Franco-Belge Company in 1893. These ten engines (identical so far as the eye can judge) have all been stationed in the same depôt and engaged on the same class of traffic; they have all been washed out and otherwise attended to by the same men and have used the same class of coal and water, and as the position of boiler tubes places them beyond climatic and other external conditions, one is at a loss to attribute the difference in result to any other cause but that of a difference in the quality of material.

Again, the life of the boiler tubes of the twelve passenger engines that were constructed by Neilson in 1889 was ten years and two months, during which time they ran an average of 276,507 miles, whilst fifty-two engines of identically the same class but of Belgian make (Franco-Belge Company) gave an average of only seven years and eight months and 221,122 miles. These sixty-four passenger engines have all been stationed at the same depôt (Boulac-Cairo) and engaged in similar traffic and they, like the ten express engines, have been washed out and otherwise attended to by the same men.

In summing up the comparison of the boiler tubes of these seventy-four passenger engines, which are apparently identical, we find that the life of the tubes of the eighteen engines of the English make has averaged nine years and eleven months and 264,356 miles, as against six years and six months and 183,743 miles in the case of the fifty-eight engines of Belgian (Franco-Belge Company) make.

The average Franco-Belge Company's price for these seventy-four engines was £ E. 2,206 as against £ E. 2,251 in the case of Neilson, one of the foremost of locomotive manufacturers, and considering that, during the last three years, the Administration has purchased 33,075 boiler tubes costing £ E. 24,777, and has also had to defray the cost of labour in retubing, it will be readily understood how short-sighted has been the policy of accepting the lowest offer. Of the 132 new goods engines that have been constructed to our standard drawings and conditions, the forty-eight which were supplied in 1892 and 1893 by the Franco-Belge Company, are the only ones which have as yet had their boilers retubed, and thus we are unable to speak comparatively on their merits. The tubes of these forty-eight engines gave an average life of six years and five months and 154,412 miles.

The eight overhead lifting cranes at first left much to be desired in their action, but since the suppliers introduced certain modifications they have worked satisfactorily. The metal work, for the construction of carriages and waggons in Egypt, as well as that supplied for the construction of the roofs of the new workshops has given, so far as one can judge, every satisfaction.

(Signed) F. H. TREVITHICK.

Inclosure 3 in No. 9.

Report by Mr. H. Pinching.

Plague.

THE first intimation of the occurrence of suspected cases of plague at Port Saïd was received by the Sanitary Department on the 30th April last.

The following day Mr. Graham left Cairo for Port Saïd in company with Dr. Bitter, the Bacteriologist of the Department, in order to investigate the suspected cases and to take the direction of such measures as might be considered necessary to combat the disease in the event of its suspected nature being confirmed. All doubt on this latter point was set at rest by the autopsy of a man who had died the previous day and by the bacteriological examination of a case which was then in the Government Hospital. The disease was recognized as typical bubonic plague, and, as will be seen from what follows, it was clear that these two individuals were by no means the first sufferers of the outbreak.

These two cases inhabited apartments in a large block of buildings at the back of the Rue de Commerce, not far from the quay, and of which the Eldorado Music Hall formed part. One was a Greek, the other a Syrian. Investigation showed that on the 29th April in the same house a woman had died after exhibiting symptoms which were now recognized as those of plague. Other individuals were also stated to have succumbed to a similar disease on the 27th April, in the person of an Italian in a house near by, on the 23rd April, a Greek living in the Arab quarter, and on the 20th April, a Greek inhabiting a house near the Eldorado. These deaths had all been certified by the European medical men who attended them as due to "grippe avec phlegmon," "grippe cérébrale," or "grippe avec méningite," but subsequent inquiry left no doubt that they were in reality due to bubonic plague in one or other of its forms, and for that reason they are to be officially recognized as forming the earlier cases of the outbreak. Facts which came to light at a later period proved beyond doubt that a Greek, who died on the 5th April in the European quarter, had also succumbed to the disease, and other cases gravely suspicious in their nature dated back to the month of March, while the rapid progress of the disease in the first week of May and the fact that cases now began to arise in all parts of the native quarter showed that the town must have been infected for a considerable time before the fact was brought to the notice of the Administration.

Mr. Graham writes as follows:—

"On the day of my arrival in Port Saïd two cases from the Arab quarter had been admitted to hospital. On the following day (the 2nd May), two more were noted from widely separate quarters in the Arab town. On the 3rd May, a death from plague took place in the Arab quarter; on the 5th, another case of the same kind occurred; on the 6th, there were two more native admissions and one European, and on the 7th, there was yet another case from the native quarter.

"It was soon evident, therefore, that the infection was widespread throughout the town, and the position to be dealt with embodied two main features:—

"1. An outbreak of true bubonic plague; and

"2. A general dissemination of the infection throughout the native quarter and a partial infection of the European quarter.

"In order to deal with this situation on the lines of the plague measures adopted in Alexandria in 1900, a staff of medical officers and experienced disinfectors was necessary, as well as a very large number of workmen organized into sections or gangs for their respective duties.

"The difficulty was that no machinery of this kind existed at Port Saïd; a beginning was consequently made by drafting from Alexandria a few disinfectors and overseers and by engaging locally a certain number of labourers. In this way the nucleus of a staff was rapidly got together and the work began.

"As regards hospital accommodation for the natives, a large ward of the Government Hospital was screened off and entirely isolated for the purpose, while the Europeans who were stricken with the disease were in all cases, except four, treated separately in the infectious block of the Government Hospital until such time as their own national hospitals should be ready.

"This proved a most convenient and economical method of providing a plague hospital, and throughout the epidemic there was no reason to regret the decision which lead to the adoption of this measure rather than the installation of a separate building far removed from the town.

"At the beginning of the outbreak, there was a deeply rooted antipathy to the hospital system, which led on more than one occasion to riotous conduct and a certain amount of damage being done to Government property, and in some cases even to personal injury. A method was found of dissipating this feeling by causing the notables of the town to form a Visiting Committee of all classes, the members of which were taken into the plague hospital and shown the convalescent patients, who were thus enabled to reassure their friends as to their good treatment in hospital. The result was that in many instances persons came voluntarily to hospital, and in several cases people notified the disease even when occurring in the persons of their own family.

"The 'contacts' of plague-stricken persons were isolated in a large warehouse, which was divided into cubicles, so that each family and sex could assure themselves of a certain degree of privacy. These persons were kept under observation for six days during which time they received an excellent ration, while the wage-earning members were allowed a small sum daily in consideration of their being deprived of their day pay. In only two cases did contacts develop plague, and in both cases the illness showed itself before the end of the second day. Subsequently, the isolation system was modified at a time when it was felt that the people were reassured and that there was little fear of spreading the disease by flight. This modification took the form of allowing the family to return to their house after complete disinfection of it, their persons and effects; the women and children were confined to the house and the wage-earners were seen twice daily by the medical officer of their district.

"Throughout the month of May, cases continued to occur, but the disease never got entirely out of hand or even assumed a commanding lead. At the beginning of June, there was a decided increase in the number of cases owing to a fresh outbreak in the Arab quarter and to the infection of a small agglomeration of huts near the gas works.

"The obstinate way in which the infection hung round this place decided the Department to endeavour to pull down and rebuild this village in another place and on more sanitary lines. This was done at a cost of some £ E. 350, and the houses being of wood were dismantled and carried in sections to the far west of the Arab quarter and there rebuilt. There was considerable anxiety as to whether the necessary manipulation of these old structures, previously infected with plague, might not cause some further outbreak of the disease amongst the workmen employed. To reduce the risk as much as possible, rubbish gangs were brought to the spot and, as the houses were dismantled, these men collected and burnt all the rubbish and débris. The people engaged in the work were kept under observation and disinfectants were liberally used for the hands and feet. Fortunately, no subsequent case of plague arose in the village nor amongst those employed in its destruction.

"As to the origin of the infection, it is to be regretted that reliable and conclusive evidence on this point is entirely lacking. At the same time, there are so many possibilities, not to say probabilities, in the way of introducing the disease that it is a matter of surprise the town was not infected considerably earlier. Situated on the high road between the east and west, in constant daily communication with ships arriving from infected ports, and peopled by natives and Europeans who alike make their living by traffic of one sort or another with these ships, it was strange that Port Saïd had escaped the infection for so long.

"To show how exposed Port Saïd is to infection from plague and other diseases it is only necessary to call to mind that the native population is largely made up of coalheavers, who are constantly in communication with ships coming from plague-infected countries; that a considerable number of stokers are taken up by ships going

east and landed again at Port Saïd, after having been possibly in close communication with plague patients or having resided in a plague-infected port for weeks in the interval between their voyage; and that a considerable number of bumboat men exercise their trade practically without control or restraint with all ships alike; and bearing in mind the indisputable fact that infection may lie hidden in spite of the most stringent Quarantine Regulations, and that infection could readily be carried ashore by either one of the three classes mentioned above, the introduction of plague and other infectious diseases into Port Saïd appears an easy matter.

"At the same time, it must not be forgotten that Port Saïd was, during the early part of the year, in free communication with Syria, Asia Minor, the Black Sea, and the Greek Islands, and that the disease was officially notified on the Syrian Coast at a later period. It is possible, therefore, that the infection of Port Saïd may have come from a much nearer source than the East Indies.

"Meanwhile, though speculation, in the absence of reliable evidence, is of little good, the examination of possible methods of introduction is not without utility. The appointment of a Port Medical Officer and establishment of a passenger registration office may help to reduce some of the elements of danger within a reasonable margin of control, and if the scheme proposed in the note of the 28th August concerning the control of all stokers should be carried to a successful issue, it may fairly be hoped that yet another source of infection will be brought under command.

"The question of coalheavers still remains for consideration. It is one which presents many difficulties, but there are hopes that a scheme may be formulated which should reduce their capacity for mischief to a minimum.

"The question of the agency of rats in the propagation of the disease has received no additional elucidation by such facts as were observed in Port Saïd. Rats dead of plague were found in a part of the town which never gave origin to a case of plague; but, on the other hand, plague rats were found in the parts of the town in which cases subsequently occurred.

"It would seem that the rôle which rats play in the propagation of plague has been much exaggerated, and that it would be more logical to view them as normal victims of infection in the same way as mankind, rather than a direct and important factor in the propagation, transport, and development of plague epidemics.

"An interesting commentary on the method of infection and utility of cleaning away rubbish is furnished by the case of a man who was overseer of the gang of burners. His duties were to superintend the destruction of the rubbish and débris brought out to be burnt, and he was consequently furnished with a barrel of disinfectant solution for the washing of the hands and feet of himself and his gang, and also with a pair of boots, which he, however, refused to wear, saying that he was more comfortable without. On the evening of the 17th May, having left his work at midday, he was found unconscious in a stable near by, and was immediately sent to hospital, where a large inguinal bubo developed, and he subsequently died of typical bubonic plague. In this case, it was practically certain that the man caught the infection from some plague-infected material that had been brought out to be burnt.

"Ninety-two cases of plague occurred in Port Saïd, of these seventy-five were admitted to hospital and seventeen were found dead out of hospital. Twenty-one deaths occurred among those admitted into hospital, thus giving a mortality of 28 per cent. among cases which received medical treatment. If we include among these fatal cases those found dead out of hospital and which received no medical aid, the mortality rises to 41 per cent.

"In referring to the fatal nature of the disease, it cannot be too strongly stated that this might be considerably lowered if the number of deaths from pure heart failure could be reduced. On several occasions, death has occurred in cases of apparent convalescence merely because the patient sat up, walked about, or undertook some other slight exertion which the patient himself felt fully equal to.

"As regards accommodation of sick and the rapid and cheap construction of temporary hospitals, it was found that huts constructed of reed mats similar to those used in the bathing season at Ras-el-Bar could be put up very quickly and at little cost. They are admirably adapted for treating plague cases during the dry season, and during extreme heat they could readily be fitted with a double roof. In cold and wet weather in the interior of Egypt, a dressing of puddled mud and straw would render them quite fit for the purpose intended. The huts put up at Port Saïd were used as a segregation camp and hospital for such of the Europeans it was necessary

to accommodate when the infectious block of the Government Hospital was full, and before the Greek and Italian hospitals were completed.

"It should be mentioned that, as an experiment, a supply of prophylactic serum prepared in Cairo according to the Haffkine's method was obtained and offers were made to inoculate such as might desire it. The inoculation was performed on some of the hospital attendants and disinfectors, but for many obvious reasons no conclusion could be formed as to its efficacy. The public did not avail itself of our offer and not a single voluntary inoculation was performed."

The inhabitants were allowed to leave the town as they pleased during the outbreak of plague at Port Saïd and no attempt was made to place any cordon round the town, but measures were taken to control as much as possible passengers leaving Port Saïd by boat, and proceeding by way of Lake Menzaleh to Damietta, Matarieh and other towns on the shores of the lake, as it was thought that the class of people who would wish to leave Port Saïd for fear of being detected by the sanitary authorities, should they fall ill, would be more likely to travel by this route than by rail.

All people arriving from Port Saïd at Damietta and Matarieh were medically inspected, were given a bath, had their clothing disinfected, and were kept under observation for seven days in their own houses; in this way several suspicious cases were detected at Damietta, but in only one case was the plague bacillus found; some of the others were possibly cases of plague, but the buboes were in such an advanced stage of suppuration that it was impossible to find any plague bacilli in them; persons were not allowed to disembark at ports of Lake Menzaleh other than Damietta and Matarieh.

Later on, a medical post was established at Kabooti on Lake Menzaleh, near Port Saïd, with a view of preventing any persons presenting suspicious symptoms from leaving.

A sharp look out was kept on all people by the Sanitary officials in the different moudiriehs of Lower Egypt, and though several suspicious cases were reported from different places, none of them on bacteriological examination turned out to be cases of plague.

A certain amount of trouble was experienced at Port Saïd by the Sanitary officials in the course of their duties, and on one or two occasions riots took place, which happily did not prove very serious. The opposition was experienced more at the hands of the Europeans than the natives. The inhabitants of Port Saïd, Europeans and natives alike, depend entirely for their livelihood on the trade with ships passing through the Canal, and as during the outbreak of plague no passengers were allowed to disembark from ships, the trade, with the exception of coal, was entirely in abeyance.

People supposed the loss of trade and money to be due to the measures taken by the Sanitary authorities rather than to the quarantine restrictions placed on ships, which stopped at Port Saïd and allowed passengers to disembark, by other countries.

Their ignorance in the matter was daily increased by articles in the local press, in which the Sanitary officials were held up to abuse and ridicule.

Alexandria.

No case which gave rise to any suspicion occurred in Alexandria until the 7th May, when a woman who died in the Karmouss quarter was found, on *post mortem* examination, to have succumbed to plague. The woman was a rag-picker by occupation, and in the quarter of the town where her body was found several large rag warehouses exist. After this date, other cases occurred at short intervals in the same quarter. Later on, in other quarters, until there was hardly a quarter of the town in which some one or two cases of plague were not registered. These small outbreaks when met with vigorous measures rapidly disappeared, and though the disease remained a considerable time in the town, it never attained any serious proportions. The reason of this, no doubt, was due to the fact that every case was followed up, all contacts isolated, and disinfection of a most thorough character carried out.

From the 8th May to the 13th November, when the last cases at Alexandria were notified, there was a total of thirty-seven cases and twenty deaths.

As soon as the first case was detected in Alexandria, the measures, which had worked so well during the 1899 outbreak, were immediately put in force again, and

many of these are still being carried out, and will continue to be during the year should plague appear again or not; for example, such measures as inspection of passengers arriving from Mediterranean ports, the keeping of all low lodging-houses and cafés, &c., under proper control.

Whether the outbreak of plague in Alexandria during 1900 was due to a reinfection or recrudescence of the outbreak of 1899 it is difficult to determine. It must be remembered that there is a considerable trade between Smyrna and Beyrout, &c., and Alexandria, and it was only a short time after plague was announced at Port Saïd, where it broke out among the Greeks, that cases were notified at Smyrna, and though the reports we have had from Smyrna on the subject have been somewhat scanty, several cases of infectious disease with pneumonic symptoms of a peculiarly fatal nature have occurred in the vicinity of Smyrna of late, which the Sanitary official has diagnosed as cases of "malignant influenza." The report, however, of these cases, as the diagnosis of the Sanitary officer was not supported by bacteriological examination, read extremely like cases of pneumonic plague. It will be remarked in the portion of this report on the outbreak of plague at Port Saïd, that the medical practitioners there diagnosed the first cases of pneumonic plague as cases of "grippe cérébrale" and "grippe avec phlegmon."

No trouble was experienced at Alexandria in enforcing all measures which were considered necessary by the Sanitary authorities.

Though the measures taken at Alexandria and Port Saïd have proved successful in stamping out the disease both in 1899 and 1900, as long as many ports remained infected both to the east and west of Egypt, it is not unlikely that future outbreaks of plague may occur here from time to time, and it was a wise measure on the part of His Highness' Government to grant a sum of money this year to be expended on prophylactic measures against the disease, as with early information of the first case of plague occurring in any of the seaport towns of Egypt, I do not anticipate, if measures are promptly taken, that the disease will assume any very serious proportions.

In closing this Report I would beg to draw your Lordship's attention to the excellent services rendered to His Highness' Government in the suppression of plague at Port Saïd and Alexandria by Mr. Graham, Major Garner, and Drs. Bitter and Gotschlich.

(Signed) H. H. PINCHING.

No. 10.

Viscount Cromer to the Marquess of Lansdowne.—(Received March 11.)

My Lord, *Cairo, March* 1, 1901.

I HAVE received a very full and interesting report from Sir Reginald Wingate on the Administration of the Soudan during the past year. I have now the honour to forward a copy of this report in an abridged form. Nothing of general interest or importance has been omitted.

That considerable progress has been made in the Soudan since the reoccupation of the country, cannot be doubted. A perusal of Sir Reginald Wingate's report is, however, sufficient to show that a wide field for improvement exists in almost every direction.

The two most pressing needs are, I think, first, an increase in the number of British officials; and, secondly, the expenditure of capital on railways and irrigation.

The first of these two requirements may be met without any great difficulty. A small number of very carefully selected young civilians have been already appointed. These will form the nucleus of a future Soudanese Civil Service. In course of time, others will probably be appointed. I should mention that, on the occasion of my recent visit to the Soudan, I was greatly struck by the energy and capacity of the military officers in civil employment. Under the present condition of affairs in the Soudan, they constitute administrative agents of the highest value. A little kindly guidance and advice on a few matters of principle suffices to rectify any involuntary errors, which might perhaps otherwise be committed from inexperience in dealing with civil affairs.

The objection to employing none but military officers is pointed out by Sir Reginald Wingate. It consists in the fact that the accidents of a military career render officers of the army liable at any moment to be called away for service elsewhere. Thus the service is dislocated. Moreover, it is clear that some time must elapse before officers, who arrive to fill vacant places, can obtain the linguistic and local knowledge necessary for the efficient performance of their duties. Hence arises the desirability of creating a Soudan Civil Service. I must repeat that the utmost care should be taken in selecting members of that service.

Into the second of the two points to which I have alluded above, I do not at present propose to enter fully. I may say, however, that but little progress can be made in the Soudan without the expenditure of capital. I should add that I see little immediate prospect of unaided private capital, on any considerable scale, seeking for investment in the Soudan.

I have, &c.
(Signed) CROMER.

Inclosure in No. 10.

Report by the Sirdar and Governor-General on the Finances, Administration, and Condition of the Soudan in 1900.

THE general situation as described in the annual Report for 1899 has not materially altered.

As regards the Eastern District the negotiations between the Soudan and the Italian Colony of Erythræa with reference to frontier settlements have been continued, but the actual delimitation of the ground has not yet been carried out. It is probable this will shortly be undertaken.

Lieutenant-Colonel Talbot, R.E., Director of Surveys, has been employed in surveying the various districts under consideration and the results of his labours will, no doubt, greatly facilitate the eventual delimitation.

The very friendly relations existing between the British and Abyssinian Governments will, it is hoped, contribute to an early and mutually satisfactory settlement of the frontier between the Soudan and Abyssinia.

In connection with this question preliminary surveys have been carried out:—

(*a.*) From Famaka on the Blue Nile to the Soudan Government Station of Nasser on the Sobat River, under the direction of Major Gwynn, R.E. This expedition executed accurate topographical sketches of all the country visited, besides bringing back valuable Reports on all the routes traversed by them. Major Gwynn has now proceeded to the Abyssinian capital with a view to carrying out further surveys, in the same direction, on the conclusion of the frontier negotiations between Lieutenant Colonel Harrington, His Britannic Majesty's Representative at the Abyssinian Court and His Majesty the Emperor Menelek.

(*b.*) From Fashoda up the Sobat and Baro Rivers to Goré, thence, in a southerly direction to Gelo, returning viâ the Pibor River to Nasser, under the direction of Major Austin, R.N. Owing to a misunderstanding on the part of the Abyssinian frontier authorities, this expedition was unable to proceed, as was originally intended, to Lake Rudolf; but Major Austin has now started again for the lake, and it is anticipated that he will meet with no further difficulties of this nature.

As regards the southern districts, the work of cutting through the sudd, or floating vegetation which obstructs the White Nile, and opening up communication with the Northern Uganda posts and the Congo Free State station at Reggaf, has been satisfactorily accomplished.

The question of the possibility of confining the Nile south of the junction of the Sobat in one channel, and thus largely increasing the water supply, still remains unsolved; but the creation of a navigable waterway has been effected, and this is the first step towards the accomplishment of this highly desirable object, which, according to expert opinion, will—even if feasible—take many years to bring about.

Not only has the opening up of communication with the far reaches of the Upper Nile placed the northern posts of Uganda in comparatively close touch with Khartoum and Cairo, but it has also enabled the Congo Free State authorities to begin drawing

their supplies by the Nile Valley, instead of by the circuitous West African and Congo route. Paucity of steamers is for the present an unfortunate obstacle to any trade development on an extensive scale, but it is hoped that with the next high Nile more steamers may be brought up from the Assouan–Halfa Reach, when we shall be in a better position to meet the already growing requirements of these southern countries, and establish with them commercial relations which cannot fail to be of reciprocal advantage.

A Government post has now been established near Kero, some 55 miles north of the Congo Free station at Reggaf. This forms the present southernmost garrison.

The question of the conveyance of stores, supplies, and mails for the Uganda posts by means of the Halfa–Khartoum Railway and the Soudan Government steamers is now under consideration. It is evident that, pending the completion of the Uganda Railway, an immense saving of time would be effected by the adoption of this route.

With regard to the provinces which lie to the west of the White Nile, an expedition, under the command of Lieutenant-Colonel Sparkes, has been dispatched to the Bahr-el-Ghazal in order to explore and occupy some of the districts lying between the river and the Nile–Congo watershed, included within the Soudan territories as defined by the Anglo-French Treaty of the 21st March, 1899. It is hoped that this expedition will result in the opening up of countries long closed to the advantages of civilization and commerce.

The Province of Kordofan, of which the old capital—El Obeid—was occupied on the 17th December, 1899, now forms the most western district directly administered by the Soudan Government.

The Province of Darfur is governed by Sheikh Ali Dinar, the grandson of the late Sultan Hussein. His relations with the Soudan Government continue to be of a friendly nature, and Sir Rudolf Slatin Pasha is now on his way to the frontier with a view to arranging certain details connected with the administration of the Province and its position in regard to the central authority in Khartoum.

A small remnant of the Dervish force, which retired west from Bohr, are located under a Chief named Arabi Dafalla in the Dar Kara country to the south-west of Darfur. Beyond reports of occasional raids on the local tribes, they have caused no trouble, and it is unlikely that this last insignificant vestige of the once paramount Dervish authority will cause any serious disturbance of the peace either in Darfur or in the neighbouring States.

In reviewing the general situation, it only remains for me to add that, during the past year complete tranquillity has prevailed throughout all the districts administered by the Soudan Government. The rest, so much required by the people and the country, in order to enable them to recuperate after years of incessant disturbance and warfare, is already having the most beneficial results. A fairly good water supply and abundant rains have produced exceptional crops; the supply of grain is plentiful and the market prices lower than they have been for many years. These facts, added to a general feeling of security and immunity from interference, have gone far towards establishing a condition of apparent contentment and satisfaction. Under these more favourable circumstances the general progress of administration and reform, although not by any means rapid, has been less slow than was expected. The development, it is true, is still in its most elementary stage, but indications are not wanting that, under improved conditions, the country and the people will readily respond to the efforts that are being made to regenerate them, and to inculcate the simplest forms of a just and rational system of Government, which shall insure them against the venality and oppression of the past, and which opens out to them an era of comparative prosperity and tranquillity in the future.

Finance.

The following figures, based on the accounts as closed up to the end of November last, and on the estimated expenditure for December, may be taken as approximately correct, and will serve to give an idea of the financial results of the past year:—

Revenue.	£ E.	Expenditure.	£ E.
The Provinces	95,000	The Provinces	83,000
Posts	5,000	Central Administration	38,000
Telegraphs	4,000	Posts	9,000
Railways	36,000	Telegraphs	16,000
	140,000	Railways	132,000
		Public Works	38,000
Contribution by Egyptian Government ..	417,179		316,000
		Military expenditure	282,862
	557,179		598,862

Deficit £ E. 41,683, or, say, £ E. 40,000.

This large deficit is mainly due to the fact that the expenditure was very much underestimated, while the receipts were put down at a figure they never attained. Again, during the course of the year, it was found necessary to abolish certain taxes, and reduce, or suspend, the collection of others which proved premature, and would have pressed unduly on the inhabitants and militated against the prosperity and good Government of the country.

Several other causes contributed to prevent the anticipations of the estimates from being realized. I will cite a few instances, which illustrate the difficulties created by the situation and show how impossible it has been to keep within the limits defined in the Budget.

At the outset, we found ourselves saddled with liabilities from the previous year, and, amongst other items, had to meet a sum amounting to fully £ E. 25,000, being part of the extra expenditure incurred over the special credit for the extension of the railway to Khartoum.

The appearance of the cattle plague was a misfortune to cattle owners in the Soudan and a great blow to the resources of the country. It menaced Egypt as well as the Soudan, and necessitated an unforeseen expenditure of about £ E. 6,000 in order to enable us to check its progress and protect both countries.

The occupation of Kordofan made it also necessary to establish in that province some sort of civil Government, which started in a very primitive manner and has been steadily developing during the course of the year. In spite of the exercise of rigid economy, an expenditure of about £ E. 3,500 is anticipated, and this sum was not taken into account when the Estimates for the year were made. In the year 1901, owing to the development of this province, the expenditure necessary to meet its requirements has been entered at £ E. 8,437.

The Public Works Budget, owing to the increasing necessity for office and house accommodation, hospitals and other public buildings, &c., is expected to be exceeded by about £ E. 13,000.

The Railway and Public Works have been, as in the previous year, and will remain for a considerable time to come, the heaviest drain on the resources of the country.

Several other items of expenditure were necessarily incurred for which no provision had been made. Amongst these may be enumerated the appointment of Land Commissions, Municipal Engineers, &c., the creation of an Inspector-General and of additional English Inspectors for the remoter districts in order to safeguard the interests of the loyal population and to make the beneficial influence of the reforms, which have been instituted, felt in localities where mistrust still exists and where evil opportunities are eagerly seized upon by those beyond the direct supervision of the Government.

The revenue was likewise affected.

The herd tax, the fees for the registration of trade at Halfa and the weighing fees in the provinces were abolished. For these a sum of £ E. 8,000 figured on the revenue side of the Estimates. The tax on money orders by post and through the Treasury chests was reduced from one to a-half per cent. A large portion of the land in the Berber Province was exempted from taxation, which reduced the revenue of this Mudirieh from £ E. 14,000 to about £ E. 6,500. A part of the date tax at Dongola was also remitted and several other minor remissions and exemptions, necessitated by circumstances, were accorded.

In spite of these remissions, however, the revenue has, on the whole, shown a

steady tendency towards expansion and development, and the sums realized are expected to amount to £ E. 140,000 as compared with £ E. 126,596 the year before.

At the same time, although the total amount of revenue realized will probably fall short of the estimate by about £ E. 18,500, it is interesting and satisfactory to observe that if the deficiency on the Berber and postal service receipts amounting to about £ E. 13,500, and also the loss of about £ E. 8,000 resulting from the abolition of the herd tax and the Trade Registration Fees, were discarded from our calculations, the actuals of the revenue as a whole, would have fully attained the figures predicted and would have given a surplus of about £ E. 3,000.

A comparison between the actual expenditure and the estimated figures is not less satisfactory. It is unfortunately not possible at present to give comparative statements in full detail, but it may be mentioned that, setting aside the budget of the railway, which was credited with a heavy liability from the previous year and the Public Works and Telegraph budgets, the expenditure incurred on all other services, with the exception of Suakin, did not give either disappointing or startling results.

For Suakin, the expenditure was estimated at £ E. 26,200, but, owing to several reductions during the course of the year, the real expenditure is not expected to go far beyond £ E. 16,000.

The excess of about £ E. 6,500 on the Telegraph budget is due to the fact that no consideration was taken of the expenditure required for purposes of extension when the budget was framed.

The supplementary credit of £ E. 15,000, assigned for the construction of culverts and bridges south of Atbara, was completely expended.

The expenditure still looks out of all proportion to the revenue, but the fact must not be lost sight of that a large portion of it is devoted to construction and the initial cost of several services, which under normal conditions would not fall as a charge against ordinary revenue, but would be met by special supplementary credits from some other source until such time as the revenue of the new country develops and becomes sufficient to meet expenditure on capital outlay.

The Budget for 1901 stands as follows:—

Receipts.			Expenditure.		
	£ E.	£ E.		£ E.	£ E.
Khartoum	19,000		Khartoum	21,374	
Berber	10,000		Berber	11,747	
Dongola	28,000		Dongola	13,500	
Sennar	4,000		Sennar	14,391	
Kassala	3,500		Kassala	8,838	
Suakin	10,000		Suakin	15,128	
Halfa	4,500		Halfa	2,154	
Fashoda	100		Fashoda	3,700	
Kordofan	400		Kordofan	8,437	
		79,500			99,269
Controller's Department (sales of dhurra, royalties in kind, &c.)	26,000		Central Administration ..	23,908	
Tribute from Tribes	8,000		Legal Secretary's Department and Mehkemehs	5,022	
General central receipts ..	2,000		Controller of Stores Department	13,632	
		36,000	Education Department ..	1,075	
			Director of Forests	1,200	
Posts	5,000		Prisons Department	10,000	
Telegraphs	4,000		Wild Animals Department ..	1,200	
Railways	63,000		Cattle Plague, Printing Office, Survey, &c.	6,250	
		72,000	Hospitals	5,409	
			General Central expenditure ..	27,279	
Contribution by Egyptian Government towards deficiency of Soudan revenue		417,179			94,395
			Public Works, Khartoum ..	20,000	
			Posts	8,781	
			Telegraphs	16,000	
			Railways	143,000	
					187,781
			Egyptian Ministry of War for maintenance of army in the Soudan		222,634
Total		604,679	Total		604,679

It is hoped that results may turn out to a certain extent in harmony with these figures, and that the expenditure will not fall much short of the revenue; but I would point out that the above estimates were necessarily drawn up on the most stringent and rigid principles of economy.

The mainstay of our revenue for the present is the land tax. The zeal and attention devoted by the Governors in all the provinces in giving every encouragement to the natives to cultivate and affording them every facility in their power to obtain cattle is no doubt having a most salutary effect, and there is every prospect that the revenue under this heading will steadily increase.

Every effort is being made by Major Bernard to establish a sound system of financial control and audit. As a financial basis of this control, several instructions were issued in connection with the Budget this year, and it is hoped that they will lead to the establishment of more regularity.

It is satisfactory to note that all the accounts of the Soudan Government in every service are now under the direct control of the Finance Department. The telegraph and postal accounts were taken over from the army in the course of 1899, and the railway accounts in June 1900.

The postal service in the Soudan has shown a noteworthy and commendable progress during the past year, but much still requires to be done towards increasing its efficacy. The work has been conducted on proper principles; the number of offices open for "money-order service" reached thirteen: letters and parcels have been more punctually and regularly dispatched and delivered. Complaints with regard to loss of letters and to parcels going astray have considerably diminished, and, on the whole, a general tendency towards improvement is marked in all the branches of this service. Receipts are not yet, however, in any way commensurate to the money expended. A great loss is sustained on hire of camels employed to carry the mails to places at a distance from the river and railway. Some of the post-offices have necessarily been opened for communication with officials and troops, and, as such, are not remunerative.

In concluding these remarks on the financial situation, I venture to touch on the marked progress which is apparent everywhere and in all branches of the Administration.

Public Accounts have been placed on a sound footing, the Executive Finance Office has been transferred to Khartoum, and the Audit Branch, placed in thorough order, has been left in Cairo as a necessity felt long ago and suggested by Colonel Stewart as one of the administrative reforms in his interesting Report on the Soudan in 1882.

The land is being measured with a view to proper assessment of taxation, canals for irrigation are in course of construction in some Mudiriehs and contemplated in others, permission for the erection of pumps is encouraged, and a scheme is under consideration for furnishing some districts with cattle to help the natives to work their waterwheels, and to bring as much land as possible under cultivation. Every encouragement has been given in the issue of seed loans to enable them to cultivate without hardship and without resorting to usurers, and it is hoped that the result of these efforts may soon be shown in increased crops and additional revenue. But in spite of this evident progress, it must not be forgotten that there is still a universal appeal for more funds; more cattle are required for irrigation purposes, more high officials and closer inspection are demanded in order to facilitate the administrative system and crush out any tendency to revert to the old habits of corruption and venality, in which a certain section of the native subordinates are only too ready to indulge unless most carefully controlled. To such appeals, whether to aid development or to relieve the pressing wants of a population impoverished by long years of warfare and oppression, there can be but one answer—an answer made by Lord Cromer when, cognizant of their real requirements, he recently addressed the Ulemas, Notables, and Sheikhs of the Soudan assembled at Khartoum.

"It must never be forgotten," he said, "that, however desirable any improvement considered on its own merits may be, an essential condition to its execution is that there shall be no increase of the fiscal burdens imposed on the Egyptian people for the sake of the Soudanese, and that the burdens on the Soudanese people should be kept as low as circumstances will permit."

The above accurately sums up the situation, and whilst gratefully acknowledging the liberal contributions granted by Egypt for the purposes of Soudan administration, I feel that I should be failing in my duties as the local Representative of both His Majesty the King and of His Highness the Khedive if I abstained from pointing out

that, in order to establish a thoroughly sound administrative system in this country, more funds are urgently required.

Colonization.

Early in the year it was decided to distribute amongst the various provinces a portion of the large garrison then concentrated at Omdurman, and, later on, the general tranquillity prevailing throughout the country rendered possible a considerable reduction of the Egyptian army. Two Egyptian battalions were disbanded, and the strength of both Soudanese and Egyptian battalions reduced; further reductions were also made in the cavalry and other branches. By this means important economies were effected, and many old Soudanese soldiers, whose discharge had been promised on the reconquest of the Soudan, were permitted to leave. Several of these elected to return to their old homes, but upwards of 800 men, together with their wives and children, consented to form colonies in various parts of the Soudan. Villages for these colonists have now been established on the Blue and White Niles and in the Kassala district, and, as far as can be judged at present, they are likely to prove popular and of eventual advantage to the various provinces in which they are located. Each colonist is granted from 2 to 3 acres of good rain or pasture land and 1 acre of the Nile foreshore, besides grain for sowing. In addition, dhurra is given to each man, woman, and child in order to support themselves until they have gathered sufficient crops from their own lands. Colonies are organized on a more or less military basis, a well-known and capable non-commissioned officer being selected as Chief or Sheikh. Some of these villages have already started their own markets; it is hoped mosques and schools will be eventually provided, and so far the experiment has proved a distinct success. It is important that the localities for these colonies should invariably be selected in districts where there is a considerable rainfall. It has been found that lands requiring irrigation by means of waterwheels or shadoofs are unsuited for this class of colonist, for whom labour must be of the lightest description. For this reason the colonies started at Berber and Dongola have proved failures, and the families have migrated elsewhere. All colonies are under the direct supervision of the various British Inspectors, who have hitherto reported favourably on their future prospects.

Railways.

The railway line from Halfa was completed to Halfaya on the Blue Nile opposite to Khartoum on the 30th December, 1899.

The following statistics are of interest, but before considering them these points should be borne in mind:—

1. The line was laid primarily to supply an army in the field. The route, method, and material were all chosen with this object in view.

2. Nearly 50 per cent. of the line is in absolute desert. This part is never likely to earn any revenue, but requires maintenance as much as the rest of the line.

3. Every train leaving Halfa for Khartoum has to carry with it 9,500 gallons of water for the engine, and this represents a very considerable loss of transport in the year.

4. All soldiers, Government officials, Government supplies, and stores have to be carried free, and, in addition, it is necessary to grant a considerable number of free passes.

5. The goods traffic at present from south to north is inconsiderable except at certain periods of the year, but this is increasing in proportion to the commercial development of the country. There is, however, a fair amount of date traffic during the closing months of the year on the Kerma line. In the coming year, it is calculated a large quantity of gum from Kordofan and other parts will be exported from the Soudan. It would also be possible to export considerable quantities of dhurra, but, unfortunately, there is no market for Soudan cereals in Egypt. A certain quantity of wheat is transported from the Dongola district to Khartoum for consumption of the troops.

6. Every effort is being made, by obtaining articles locally, to reduce the amount of building material, stores, and supplies, &c., required for army consumption, reconstruction, and other objects, thus freeing more rolling-stock for the transport of private merchandize, and it is hoped that in the coming year, with the additional

rolling-stock now ordered, more accommodation for paying goods will be available than it has been hitherto possible to provide.

There are 779 miles of line now open in the Soudan.

	£ E.
The total receipts from passenger traffic amount to	6,703
(*a.*) Value of free passes issued to officers, soldiers, Government officials and their families	48,788
(*b.*) To other civilians	6,093
Total receipts from goods traffic, live-stock, &c.	27,555
Value of freight on materials carried for railway	16,944
Value of freight on Government building materials, stores, supplies, &c., which have at present to be carried free (assuming them to have been carried at an uniform rate P.T. 10 per kantar)	40,468
Gross earnings	146,551
From this must be deducted the value of free passes to certain passengers and goods carried free, which amounts to	112,293
Leaving the actual earnings	34,258
Total working expenses (not including new works)	113,350
Percentage of working expenses to gross earnings	0·77 per cent.

This is a high percentage, but it must be remembered that there is little paying merchandize traffic from south to north at present.

A total of 728 trains (up and down) on the Khartoum line have been run during the year, amounting to 419,440 train miles.

And on the Kerma line a total of 348 trains, amounting to 70,560 train miles.

The working expenses per train mile—

	s.	*d.*
On the Khartoum line	4	5½
On the Kerma line	5	0¾

It will be seen from the above that if a reasonable charge were made for all Government materials and passengers, the line as a whole would show a fair margin of profit. It should, however, be remembered that the majority of the officials and workmen on the lines are military, and, as such, are paid at considerably lower rates than would have to be given to civilians.

It was intended to run the tourist service this winter with carriages supplied by the Wagons-lits Company, but owing to the inability of the Company to build the cars within the specified period the arrangement fell through for this year. It is, however, anticipated that improved accommodation for tourists will be provided for the winter season, 1901–1902.

The lines as originally constructed were laid during a period of active operations —time was an object of great importance—and, in consequence, work was necessarily not of a permanent character.

The recent heavy rains in the Soudan and the want of bridges and culverts caused no fewer than 289 breaks in both lines, and traffic was frequently interrupted for weeks together, involving a general dislocation of the lines of communication which, had it not been foreseen, might have seriously affected the military situation in the Soudan, besides retarding all reconstruction work at Khartoum, and causing much delay and inconvenience.

In consequence of this serious state of affairs, and owing to financial exigencies requiring the reduction of current expenditure to an absolute minimum, it was found necessary to request a special credit in order to carry out the most urgent repairs which are fully detailed in a Report recently submitted by Major Macauley (Director of Railways), to whom I consider great credit is due for the general management of the Soudan military railways under trying and difficult conditions.

Justice.

In the Annual Report of the last year attention was drawn to certain Ordinances which had been promulgated relating to the provisions of the various codes of justice which had just been, or were about to be, enacted in the Soudan with a view to establishing a sound and simple system of legislation in the country. After the lapse

of a year it is now possible to review the working of these laws and to describe the new Ordinances necessitated by the additional experience gained of the requirements of the people.

The Soudan Penal Code has proved sufficiently comprehensive to meet, with few exceptions, all offences which have been committed during last year. British officers have found it easy to understand and convenient to apply. In most cases also the justice of the punishments provided has been recognized by the natives.

As regards the Soudan Code of Criminal Procedure, however, it was found that exact compliance with its provisions as regards arrests and preliminary inquiries was impossible. Simpler methods have, therefore, been followed which, although lacking some of the safeguards to the innocent which the Code supplies, have the advantage of being intelligible to the native population. The danger that minor officials, if not bound down by a rigid procedure, may abuse their powers has not been lost sight of, and registers are in course of preparation which will prove a valuable guide, and will render the supervision of police officers and minor magistrates more effective than it has hitherto been.

In his Report Mr. Bonham-Carter, the Legal Secretary, writes :—

"Having, during the year, perused all the proceedings of Mudirs' Courts, and many proceedings of other Courts, I am able to report that in essential respects the administration of justice reaches a high level of excellence. Accused persons are brought to trial with as little delay as possible, having regard to the difficulties of communication. Criminal trials are not only characterized by the sense of fairness which one could have expected from the constitution of the Courts, but are also as a rule conducted with a regard for legality and a patience in exacting evidence which might not have been anticipated."

Punishments have generally been lenient. Sentence of capital punishment was carried out on four persons. The Courts have power to condemn prisoners found guilty of murder to imprisonment instead of capital punishment, and the extreme term of imprisonment awarded under the Code for any given offence is usually shorter than the corresponding punishment awardable by English law. The tendency of military officers who act as magistrates has also been towards leniency.

Three Europeans have been convicted during the year and sentenced to short terms of imprisonment, but owing to inadequate prison accommodation for Europeans they were released on condition that they at once left the Soudan.

A case of extradition also occurred when the offender, who was an European, was arrested in the Soudan, conducted to the frontier and there re-arrested by his own Consular authorities.

Mr. W. E. Brunyate, of the Contentieux de l'État, has again rendered valuable assistance in drafting, with Mr. Bonham-Carter, the Civil Justice Ordinance, which was promulgated in April last. This Ordinance in general outline follows the adaptations of the Indian Civil Procedure Code, which are in force in British Bechuanaland and in Burmah. The Code provides for the constitution of four Courts, of which the first is that of the Judicial Commission. This post is temporarily occupied by the Legal Secretary. The other three are Courts of Magistrates of the First, Second, and Third Class respectively. Courts of Magistrates of the First Class have jurisdiction to try original suits without limit as regards value, whilst Courts of Magistrates of the Second and Third Classes have jurisdiction to try suits of value not exceeding £ E. 200 and P. T. 250 respectively.

The appeal from the decisions of the Magistrates of the First and Second Classes are to the Mudir, and from the Mudir's decisions to the Judicial Commission.

Hitherto there have been considerable difficulties in the administration of the Civil Justice Ordinance. In Omdurman, however, a creditable beginning has been made, 102 cases have been heard, whilst in other Mudiriehs there have been only twenty cases, exclusive, of course, of land questions, which are settled by the Special Commissions appointed for that purpose.

The question of usury is one on which legislation would appear to be necessary, but the matter requires careful consideration. In a case which recently came before Mr. Bonham-Carter it was found that interest at the rate of 15 per cent. per month was originally charged, and as the bills were renewed monthly, the interest was turned into compound interest. The loan had been made to a creditor of the Government, who at the time was being hard pressed for the payment of his debt. It was wisely decided to reduce the creditor's interest to the rate of 20 per cent. per annum, and this ruling has been followed in other cases.

The Rules contained in the Civil Justice Ordinance lay down that questions

regarding succession, gifts, marriage, family relations, and the constitution of charitable endowments are to be decided in accordance with the Mohamedan law where the parties are Mohamedans, and in accordance with the law or custom applicable to them if they are not Mohamedans, and that in other cases, if not bound by positive law, the Court shall act according to justice, equity, and good conscience. In the opinion of the Legal Secretary, general legislation upon the principles of civil law is not advisable until a regular judiciary is established.

A creditable commencement has been made in the administration of civil justice, but it is impossible to expect that civil law can be administered except by Magistrates with legal training. It is intended in the course of this year to appoint a Civil Judge to the Khartoum Province, and thus to increase the efficiency of the administration. Later on, as funds become available, it is hoped that further appointments may become possible in other parts of the country.

Courts for the administration of the Mohamedan law ("Mehkemeh Sharieh") have been established in most of the principal towns in the Soudan. The position of these Courts is far from satisfactory. Except in one or two cases, it has not been found possible to obtain, at the salaries offered by Government, candidates to fill the posts of Kadi, whether Egyptian or Soudanese, who have had practical experience in legal matters. Even those who have a fair knowledge of Mohamedan principles are as a rule ignorant of the regular methods of procedure, consequently injustice results, and supervision is difficult.

I cannot close these remarks on the progress of legal reform in the Soudan without expressing my warm appreciation of the very valuable services rendered in this branch of the Administration by Mr. Bonham-Carter, who has been as indefatigable as he has been successful in improving and regulating the system of legal procedure in the Soudan.

Mining Concessions.

"The Mining Prospecting Licence Ordinance, 1900," left the conditions under which prospecting licences may be granted to the discretion of the Governor-General, but laid down certain terms which, in the absence of express agreement, would be implied in all licences. In practice it has been found that, owing to the difficulties of communication, and the comparatively unexplored state of the country where minerals are believed to exist, the terms implied by the Ordinance are not sufficiently favourable to prospectors. They have accordingly been excluded from the licences which have been granted, and special agreements have been made. These agreements, though differing in detail, have been uniform in principle.

Negotiations for the grant of mining concessions have been conducted during the year, and in some cases, arrangements have been concluded.

But until the Abyssinian boundary has been delimited and Southern Kordofan has been opened, no great activity in prospecting is to be expected.

An expedition was sent in the early part of last year by the Egyptian Soudan Exploration Company under the guidance of Sir Rudolf Slatin (who had not at that time taken service under the Soudan Government) into the country south of El Obeid. A prospecting party has been at work in an area granted to them in the neighbourhood of Suakin, and another is now engaged near Halfa. Arrangements have also been concluded for prospecting part of the country between the White and Blue Niles north of the Tomat River.

The Preservation of Game.

The chief provisions of "The Wild Animals Preservation Ordinance, 1900," which was promulgated in February last year, were mentioned in last year's Report.

The Ordinance introduced a system of licences for non-native sportsmen. The licences are of two kinds: one is issued at £ E. 25 and known as licence "A," authorizing the shooting of every kind of game except a small class which is absolutely protected; the other issued at £ E. 5, and known as licence "B," from which the rarer kinds of game are excluded.

For the purpose of this Ordinance animals and birds are divided into four classes.

The reports which were received from Mudirs during the course of the year upon the game within their respective Mudiriehs pointed to the advisability of a

different classification being adopted for different districts. A notice was accordingly issued in the "Soudan Gazette," No. 19, of January 1901, dividing the Soudan for the purposes of the Ordinance into four districts.

In addition to the licence fee of £ E. 25, the holder of a licence "A" is required to pay a fee for each animal included in Class 2 which he may kill. A higher charge is made for female animals, but no female animal of the kind included in Class 2 may be knowingly shot.

In the case of elephants the royalty upon ivory is also payable.

"The Wild Animals Preservation Ordinance, 1900," also provided that natives might be requested to take out licences, but this provision only applies in districts where it is specially brought into force by a notice issued by the Governor-General. The terms of the licences are arranged by the Licensing Officer. This part of the Act has been brought into force as regards Kassala, and licences have been granted to the Sheikhs of two or three tribes to kill or capture a limited number of the bigger kinds of game. They pay nothing for their licence, but are required to inform the Mudir if they kill or capture any elephant, giraffe, buffalo, or certain other kinds of game and to pay a fee varying from £ E. 1 to £ E. 8; as there is usually a demand at Kassala for specimens of wild animals, it is thought that the natives will readily pay the fees.

Several specimens of wild animals have been exported during the year, and there is also a certain traffic in skins and trophies.

There was reason to fear that, unless the trade was controlled, it would lead to unnecessary destruction of the rarer sorts of animals. "The Wild Animals Preservation Ordinance, 1901," which has been recently promulgated, places the export of wild animals and birds under Government control.

Section 2 prohibits the export of wild animals and birds, or of their skins, feathers, horns, and trophies in an unmanufactured condition other than elephant's tusks, rhinoceros horn, and ostrich feathers, except under Government permit. The provision does not apply to animals or birds which are killed under a game licence.

The Governor-General is empowered to permit the export of animals and birds of which there is no reason to fear the destruction and to impose a tax upon the same.

Arrangements have been made to establish a special department of the Government under the general superintendence of Captain Flower, the Director of the Gizeh Zoological Gardens, to deal with questions relating to the wild animals and birds of the Soudan.

Licences to export live specimens will be issued by this Department at fees to be determined later, and they will themselves undertake the supply of specimens to Zoological Gardens, Museums, and others.

Education.

In addition to his legal duties Mr. Bonham-Carter also undertook, from the beginning of 1900, the supervision of the very simple educational system which was started under his direction, and the results attained prior to the arrival in the Soudan of Mr. James Currie (the Director of Education in the Soudan and Principal of the Gordon College) reflect much credit on his foresight and energy.

Mr. Currie, since his arrival last November, has been able to devote his undivided attention to this very important subject, and he has submitted a valuable Report giving his general views on the best educational system to be adopted for the Soudan from which the following remarks are largely drawn:—

"It is inevitable," he says, "that the first Report on education in the Soudan should be more of the nature of a forecast than a retrospect, a statement of intention rather than accomplishment. Perhaps the most intelligible line to take is to sketch the actual educational needs of the country, and then to detail what, so far, has been down to supply them. In this connection it is needless to touch on general economic conditions except to point out that one is dealing with a population steeped in poverty. . . . . As with the people so with the Soudan. Dependent as she is on the bounty of Egypt, with every problem of State complicated by chronic absence of money, the duty of proceeding slowly, of avoiding expenditure on mere educational machinery, of setting nothing on foot that has no real vital connection with the economic needs of the country, becomes plainer every day."

The present educational needs are:—

1. The creation of a native artisan class.

2. A diffusion amongst the masses of the people of education sufficient to enable them to understand the merest elements of the machinery of government.

3. The creation of a small native administrative class who will ultimately fill many minor posts.

As regards (1), there is at present little or no skilled labour in the Soudan. Carpenters, bricklayers, blacksmiths, tinsmiths, tailors, weavers, are all alike wanting. They have to be imported from Europe or from Egypt and the consequent burden on the country in the form of increased wages is very heavy. In order to begin supplying this want, it is intended to ultimately establish in Khartoum a large industrial school, to be worked in conjunction with the Government dockyards and workshops. A branch may also be established at Halfa in connection with the railway works there. The Governors of Dongola and Berber are already interesting themselves in this scheme, but some time must elapse before a serious beginning can be made in Khartoum, as no boy can well begin practical training till he is 11 or 12 years of age, and these are not at present in school in any numbers.

The necessity of providing the elements of education among a large number of people has always been recognized as a religious duty by all Mohamedans, and the kuttab or primary school is an integral part of their religious organization. These kuttabs are scattered in hundreds all over the Soudan, and their condition was so fully described by Lord Cromer in his annual Report for 1899, that I need not enter into further details. The original idea was to subsidize these kuttabs, but experience has shown that such a step would be premature.

In place of this plan it was proposed to establish a certain number of model kuttabs, taught by trained Egyptian teachers, and keep them up to as high a standard of efficiency as possible. This is in process of being done in Khartoum, Omdurman, Berber, Dongola, Wad Medani, Halfa, and Suakin, and further extensions are now also under consideration. In addition to the religious instruction given in these kuttabs, reading, writing, and arithmetic are taught. An attempt, on similar lines, is also being made to improve the regimental kuttabs.

It is believed that the creation of an administrative class will be best attained by instituting two or three primary schools on the same system as those which have been established for upwards of ten years at Wadi Halfa and Suakin.

The Government at present urgently demands educated young Soudanese, both for the army and for many branches of the civil service—post, railways, telegraphs, &c. Moreover, Egyptian officials and officers in the Soudan service demand that means for educating their children in the country may be brought within their reach. In addition, therefore, to the Suakin and Halfa institutions a primary school has been established at Omdurman. It has proved so far a thorough success, and though only established last October it has already twice outgrown its accommodation and is now quite full. The average attendance is about 120. The curriculum followed is that of an Egyptian primary school, simplified to meet Soudan requirements. The proportion of native-born pupils to Egyptian is about eleven to two; many of the boys are sons of former Dervish Emirs or important tribal Sheikhs.

As far as can be ascertained the inhabitants are most appreciative of the efforts that are being made to educate their children; they seem to have clearly grasped the fact that no interference with their religion is contemplated, and up to the present all the teachers are Mohamedans.

The supply of teachers is, however, a serious matter. Hitherto the few that have been required have been liberally supplied by the Ministry of Public Instruction in Egypt, but it is evident that great difficulty is experienced in obtaining trained men to take service in the Soudan; yet I cannot foresee any other system of supply for some years to come. Eventually it may be possible to establish a training college for Sheikhs, but this implies a system of secondary education in the Soudan, which must necessarily be postponed until a future date.

The building of the Gordon College has made good progress during the past year. Certain modifications in the original plans became necessary owing to the cost of construction being heavier than was at first anticipated. When in London last summer, I laid certain modified proposals before the Committee appointed to administer the Gordon College Fund, by whom they were approved. It is anticipated that within a year the building will be sufficiently completed to allow of occupation, and by that time it is hoped that the educational system of the country will have so far developed

as to admit of including a modified college curriculum in the scheme. Mr. Currie in his Report on this subject remarks :—

"The sphere of usefulness of the College, at present necessarily restricted, will widen in an ever extending circle as the other educational institutions of the country fructify. Useful though it can be made to-day, its value fifty years hence will be incalculable. But the magnificence of the building must not cast a glamour over us, and make us forget its actual present position as the key-stone of what is only a very humble educational edifice. No greater injustice could be done to the idea that inspired it than to attempt to prematurely utilize what has been built both in consideration of present need, and of the certain requirements of a new Soudan. No meaner building would have been worthy of the conception or of the generosity which rendered realization possible, but the fruit cannot be gathered in one generation. One concrete illustration may be adduced out of the many that could be given. Ample provision has been made for boarders. But at present a boarding school is an economic impossibility. It must wait, and if a boarding school must wait, the whole scheme must wait till the migration from Omdurman to Khartoum is an accomplished fact. In any case, the building will hardly be finished till that takes place.

"But, though progress must be gradual, that does not in the least imply that the building when completed will not be of the greatest present use.

"I propose, as a beginning, to place the Industrial School there, in the rooms indicated for that purpose in the plan. The position is most convenient, as the Dockyards' Works are just across the river, and those of the Director of Works are within easy reach. The Primary School at present in Omdurman will also be removed there when the general exodus has taken place. I also propose to find house-room for, and supervise, the following institutions, so far as that can be possible :—

"(*a.*) A general Soudan reference library.

"(*b.*) An economic Museum, to assist in the commercial development of the country.

"(*c.*) A meteorological station and a small observatory.

"(*d.*) A small analytical Laboratory."

None of these schemes, each of which will be of the greatest possible service to the Soudan, would be in the least degree possible apart from the College. As the country develops, and strictly educational needs increase, it will be an easy matter to transfer them to special buildings.

Cattle Plague.

It is unnecessary to refer here to the history of the gradual extension northwards through Africa of this disease; suffice it to say that for some years it ravaged Abyssinia, and found its way into the Colony of Erythræa and into various districts of the Eastern Soudan. In February, 1900, it appeared in the Abu Haraz district, on the Blue Nile, having followed the course of the Dinder River; it was stamped out here, and no more cases were heard of until April, when it made its appearance on the White Nile, near Kawa, and on Abba Island. Strenuous and successful efforts were made to prevent the disease spreading south into the Dinka country; it crossed the river, and was not stamped out in the Duem and Kawa districts till the month of July.

An unexpected outbreak took place in June at Koko, in the Halfaya district, 6 miles up the Blue Nile, but fortunately it did not spread, though some months later an outbreak occurred at Gereif, which again spread to Buri, a village close to Khartoum. The last outbreak in the neighbourhood of Omdurman has been the most serious.

Every effort is being made by the free use of cavalry and police patrols to prevent the movements of cattle, but, as I write, it is reported to have broken out in villages in the Shabluka Cataract, and to have appeared at places in the interior to the east and west of that district.

The Veterinary Department of the Egyptian army, under the able and active direction of Major Griffith, P.V.S., has performed, and is continuing to perform, excellent work in stamping out the disease.

A serum factory was built at Halfaya, and all arrangements have been made to instal at short notice the machinery required for the manufacture of the serum. The services of three veterinary surgeons, who had had cattle plague experience in South Africa and elsewhere, were procured, and further supplies of cattle-plague serum from South Africa and from Constantinople were also obtained.

It will, therefore, be seen that every possible effort is being made to prevent the spread of the disease, and although no funds were provided in the 1900 Budget to deal with this unforeseen expenditure, no pains or expense were spared to do all that was possible to stamp it out and prevent its extension northwards.

Professor Kolle, of Koch's Institute in Berlin, also came to Khartoum during the summer, and furnished an interesting and valuable Report on the progress of the disease and the best means of dealing with it.

Slavery and the Slave Trade.

In the Soudan, as in other African countries, the problem of slavery is by no means easy of solution.

Vigorous efforts were made to suppress the Slave Trade prior to the Dervish revolt, and it was but natural that under the Khalifa's rule the institution should have reached a high degree of organization.

By an equally natural process the anti-slavery operations were greatly facilitated by the reconquest of the Soudan, and the past year has shown marked progress in dealing with the suppression of the traffic. Cavalry, camel corps, and police patrols have been actively on the watch to check it. During the early part of the year, a good deal of kidnapping went on at Omdurman and Suakin, and some trade in slaves between Suakin, Omdurman, and other parts of the Soudan was known to be taking place.

Many of the Arab tribes round Suakin, notably the Rashaida, are ready when an opportunity offers to smuggle slaves through to the coast and convey them across the Red Sea in their dhows. During the summer months a company of the Egyptian Slavery Department, latterly under an English Inspector, was stationed at Suakin and succeeded in bringing several individuals to justice, amongst them the Sheikh of the Rashaida Arabs, who was convicted of purchasing a slave and sentenced to seven years' imprisonment. In consequence of this, several members of the tribe have migrated into Italian territory, and I am in communication with his Excellency the Governor of Erythræa with a view to consorting measures to put a stop to this nefarious traffic.

An interesting note on slavery in this district has been furnished by Captain McMurdo, the Director of the Slave Trade Repression Department in Egypt, and I trust that before long arrangements may be made to establish a branch of this Department in Khartoum with a view to extending to various parts of the Soudan a system of patrols which, in conjunction with the camel corps of the Egyptian army, will carefully watch the various routes by which slave caravans are known to travel.'

For the last nine months, a company of the camel corps has been stationed at Adarama expressly with the object of patrolling along the Atbara and visiting the desert wells. This company will shortly be relieved by one of the Slavery Camel Companies, which will establish a patrol system in conjunction with an Arab Camel Company, which has just been raised at Kassala, and also with the Suakin Company. By this means, the tracks along the Atbara River and the road between Kassala and Suakin will be carefully watched.

Colonel Collinson, the Governor of Kassala, reports that during the past year eleven persons have been convicted under the Penal Code and fifty-three slaves have been released. The nomad Arabs, he states, are constantly buying and selling amongst themselves, but he hopes in time to be able to do much to suppress the traffic. All slaves released in the Kassala Province are registered and live amongst the other Soudanese.

In the Suakin district thirteen convictions were secured, and Major Godden, the Administrator, issued sixty-six freedom tickets in addition to 129 issued by the Slavery Department at that station. He states that, in his opinion, no large parties of slaves are smuggled across from this district, that doubtless small numbers are taken, but that fewer have gone from Suakin in 1900 than in previous years.

No doubt the fact is generally understood in the Soudan that slavery is abolished. It is also true that in the domestic sphere the status of slavery is not officially

recognized; consequently numbers of slaves or servants have left their masters and have found their way to the large towns, where they gain a precarious livelihood, and not a few have become accomplished thieves. This class, once they feel themselves free, do not readily take to work, although labour is much in demand. Nor is it in the interests of the general progress of the country that slaves should leave their masters, thus dislocating the labour, convulsing the domestic life of the country, and offering a premium on idleness. Speaking of slaves in this sense, I mean men or women who are unpaid working members of their masters' households and subject to their masters' control. But, in order that there may be as little interference as possible on the part of the Government with this long-established system of domestic despotism, it is an essential condition that such unpaid labour should receive the most fair and considerate treatment. Masters must learn to understand that their servants are not slaves in the sense that they are no longer legally their property, and that they have a claim against their masters for maintenance and fair treatment, which can be made good at law. On the other hand, there can be no doubt that many masters treat their domestic slaves with the greatest kindness and often go so far as to consider them almost members of the family.

Telegraphs.

During the past year upwards of 500 miles of telegraph lines were constructed. Roseires has been connected with Karkoj, Omdurman with Duem, and Duem with El Obeid.

A line has also been built from Gedaref to Wad Medina. Telegraph offices were opened at El Obeid, Roseires, Singa, and Jebelein (now closed).

The work proposed for the new year includes a new line from Goz Abu Guma to Kawa, and the reconstruction with steel bases of the lines from Goz Abu Guma to Senaar and on, viâ Wad Medina, to Khartoum.

The line from Suakin to Berber is also in course of reconstruction.

It has been found that white ants have a most destructive effect on the wooden poles. It, therefore, became necessary to obtain a special grant of 18,500*l.* for the purchase of the steel bases. New cables have also been purchased to lay across the river between Khartoum and Omdurman, and between Kerma and Hafir.

Progress of Building Works at Khartoum and in the Provinces.

For the coming year the following sums are provided for construction:—

	£ E.
From the Military Budget	14,000
,, Civil Budget	20,000
,, Barrack Grant	15,000
,, Gordon College Fund	13,000
,, Mosque Fund	8,000

besides the funds allotted for the construction of the British barracks.

The general building policy proposed for 1901 is to push on the completion of the barracks for troops and quarters for regimental officers, to provide sufficient hospital accommodation and suitable storage buildings for supplies; to extend the water supply to the new barracks in Khartoum, and later on to prepare a scheme for the supply of the whole town.

Arrangements must also be made in 1901 for the improvement and further development of the sanitation scheme.

The civil works required are chiefly the construction of Mudirieh buildings, police offices, houses for the various officials, and quarters for the Government employés. To superintend this work the services of four civil engineers have been procured for Dongola, Kassala, Berber, and Wad Medani respectively.

Woods and Forests.

The supply of fuel for steamers, work-shops, brick-making, &c., and the supply of wood for building purposes, is one of the most important and vital questions with which we have to deal in the Soudan.

As regards fuel, the price of coal delivered at the railway terminus at Halfaya is prohibitive, and wood has been used to take its place. The consumption of wood is enormous.

At present both on the White Nile to Duem and the Blue Nile to Kamlin, 100 and 75 miles respectively up both rivers, the country has been devastated of timber for fuel. There is a limited supply in the neighbourhood of the Shabluka Cataract.

It is most important, if the rainfall is not to be interfered with, that the cutting of timber in most of the districts of the Khartoum Province should be stopped. In the upper reaches of the White and Blue Niles tree-cutting will probably improve the country, but want of experience amongst the officers and officials of the conditions attached to the preservation of woods and forests rendered it necessary to procure without delay the opinion of an expert on these all-important matters. Through the courtesy of the Indian Government, the services of Mr. C. Muriel, of the Burmah Forest Department, were obtained. This officer is now engaged on a prolonged tour of inspection through the Blue and White Nile districts, and he will eventually visit Kordofan.

He has been requested to report not only on the fuel question, but also on the possibility of obtaining wood for building purposes from the large southern forests which could be rafted down either river to Khartoum. At present wood for building purposes is most expensive and scarce, and all that has been used in construction in the Soudan up to date has been brought from the Black Sea ports.

It is clear, therefore, that this matter is one which vitally concerns the present as well as the future of the Soudan.

Possibly it may be found that oil will take the place of wood fuel, and a few experiments have been made with this object in view, but for various reasons they have not been as successful as was anticipated, and the cost of transport may also make its employment prohibitive.

Taxation.

Lord Cromer, in his annual Report for 1899, referred in detail to the system of taxation which, after careful deliberation, had been considered most suitable for the Soudan, adding that the system must be considered as on its trial and much depended on how it would work out in practice.

After the experience of a year, I am now in a position to state that, on the whole, the system has proved fairly satisfactory, though the reports of the Governors of provinces show that certain modifications are necessary in various districts, and in the coming year it is intended to introduce such changes as will, it is hoped, produce the desired results as regards revenue, and at the same time, impose a minimum burden of taxation on the people.

The Land Tax Ordinance has been applied in its entirety to the Dongola Province only. In the Berber Province it has been applied to the Robatab and Berber districts; and in the other provinces either no tax on land or produce has been taken, or the "ushur" (one-tenth) system has been adopted.

If we now examine each province separately, a fair idea will be conceived of the manner in which the various taxation Ordinances have been applied.

The Governor of Dongola reports that the river in 1899 was the lowest known to the present inhabitants, the result being that the barley crop was poor and the wheat crop very bad; many hundred acres, which would have ordinarily been cultivated, were left fallow for want of water. Consequently, the tax was only collected on the land actually cultivated. A third class of taxation of island land was introduced, viz., P. T. 40 per feddan.

In spite, however, of the various drawbacks experienced, the revenue of the Dongola Province shows a surplus over expenditure of £E. 4,300, which may be regarded as satisfactory.

Of the total revenue collected, the land tax represented over £E. 17,000 which would have been increased by £E. 8,000 had all the registered land been taxed.

The date tax, which was upwards of £E. 7,000 on 468,725 trees in 1899, rose to £E. 9,300 on 469,122 trees in 1900.

In the Halfa sub-province, taxation contributed a sum of over £E. 3,400, which was principally derived from the land and date trees. The taxes were regularly paid, there were very few complaints, and these on investigation generally proved justifiable.

In the Berber Province, on the other hand, the revenue did not reach the figure anticipated. This was due to the abnormally low Nile and the consequent necessity of partially remitting the land and date taxes.

The Governor of Berber justly points out the urgent necessity of increasing the number of cattle in his district. Many of the sakias have been idle owing to the dearth of animals to work them. A scheme is under consideration for the purchase of cattle against sales of land, but its adoption is, for the present, impossible owing to the prevalence of cattle plague in the Soudan.

The land tax was imposed on the Robatab and Berber districts only, but half the tax on date trees in the former district was remitted owing to a very poor crop, which caused a loss of £ E. 900 to the revenue.

In the coming year the increased prosperity of the province and the copious rainfall will make it possible to apply to the Berber Province the land and date tax Ordinances in their entirety, and no serious difficulty or hardship on the people is anticipated by the imposition of this measure.

There are over 50,000 acres of good land lying uncultivated in this province, and it is intended in the coming year to put up a considerable quantity to sale, where a small initial outlay will practically guarantee success.

In the Suakin District the revenue shows a very marked falling off, being upwards of £ E. 5,700 less than in 1899.

This is due to the loss of trade and consequent diminution of the customs receipts.

On the other hand expenditure has also been reduced by upwards of £ E. 5,000.

A plague of locusts destroyed upwards of 5,000 feddans of dhurra and dokhn in the Tokar district, and in consequence a remission of taxation was necessary.

In order to compete with the Massawah–Kassala and Kassala–Berber trade it will in all probability be necessary to reduce or abolish the trade tax and maintain only a road tax, which would be paid to the Sheikhs of the Berber and Kassala roads alike, for the security of goods in transit and maintenance of roads and wells.

In the Kassala Province, the accounts show a deficit of over £ E. 4,000. This was due, as the Governor points out, to the complete failure of the rain crop in 1899. In many cases it was not possible to collect any "ushur" whatever; in other districts only half rates were taken and a greater part of what had been collected was distributed to starving people in the months of June and July. By this scarcity of grain the revenue was both directly and indirectly affected.

Setting aside, therefore, the revenue on "ushur" which was insignificant, the other items of revenue are made up of royalties on gum, ostrich feathers, and ivory, customs dues, market and slaughtering fees, liquor licences and rents.

Of the royalties, £ E. 986 was paid on gum.

The customs dues on imports from Erythræa were £ E. 258, and from Abyssinia £ E. 206.

Owing to a copious rainfall it is estimated that the revenue will be largely increased in 1901. At present the price of dhurra has gone down to the exceptionally low figure of P. T. 15 per ardeb at Gedaref, but unfortunately a plague of small birds consumed more than half the crops in the Kassala district.

In the Fashoda district, no taxation of any kind was possible owing to the exceptionally dry season of the previous year and the consequent failure of the crops. Indeed, great scarcity prevailed throughout the country and it became necessary to send up a quantity of dhurra from Khartoum to relieve the distress.

The Administrator points out in his report that a plentiful rainfall last summer has resulted in good crops, the flocks are increasing and the people appear contented and happy. It may in consequence be advisable to impose upon them some very light form of taxation in the coming year, but I shall await further details before taking this step.

Reports recently received from the Bahr-el-Ghazal district point to scarcity in that province, but no doubt accurate accounts of the actual situation there will shortly be received from the expedition under the command of Colonel Sparkes. It is, however, abundantly clear that no help whatever can be forthcoming for the Equatorial districts from this province, which has apparently at present barely sufficient to supply its own wants, and if the rumours of scarcity said to be prevailing in the Lado enclave of the Congo Free State prove true, the only possible course will be to send up steamers from Khartoum with grain and other supplies. Already, at the request of His Majesty the King of the Belgians, a large quantity of rice has been dispatched south and every effort will be made to meet any further demands which the Belgian authorities may make in this respect.

As El Obeid was only occupied a little more than a year ago, the province may scarcely be said to have as yet any settled form of administration. Patrols have been made to the remote parts of the country; former inhabitants are returning in large numbers and already the ruined town of El Obeid, which was quite deserted, has now between 5,000 and 6,000 inhabitants.

It has not, of course, been possible up to the present to impose taxation in any form; no "ushur" has been taken, but a comparatively small sum has been encashed locally on account of royalties on gum, ostrich feathers, and ivory. As, however, the bulk of royalties on these articles are paid in Khartoum the revenue of the Kordofan Province in this respect is insignificant.

Sir Rudolf Slatin Pasha, who is at present on a tour of inspection in these districts, has made some valuable suggestions regarding the institution of small payments by the nomad Arabs in the form of tribute, and it is probable that his proposals will be adopted. The plentiful rainfall during the summer, the increase of population, and the probable large export of gum, are all factors which go to show that we shall eventually have in Kordofan a paying province; but without better means of transport to the river its development must be slow.

I have left till the last the consideration of taxation in the two large Provinces of Khartoum and Senaar; as in both these districts, owing to the absence of money, the revenue has hitherto been collected almost entirely in kind, and the statistics suggest interesting speculations on this system of taxation.

The accounts of the Province of Senaar show a large increase of revenue over expenditure giving a surplus of close on £ E. 6,000, a great improvement on last year's results.

The value of the "ushur" dhurra, calculated at P. T. 40 the ardeb, exceeded £ E. 7,000, and that on simsim (sesame) upwards of £ E. 1,200. The other items of revenue were derived from royalties and taxes, on boats, ferries, fire-arms, fisheries, markets, &c.

In the Khartoum Province the revenue also exceeds the expenditure for 1900 by upwards of £ E. 4,000, and here again the sale of "ushur" dhurra figures as a very large item in the general receipts, being shown in the Controller's accounts at £ E. 9,153. The royalties on gum also are very considerable, amounting to £ E. 7,669, but this can hardly be considered as an actual receipt from the Province of Khartoum, as the bulk of this gum comes from Kordofan and a small quantity from Senaar.

Nevertheless, for the Khartoum and Senaar Provinces alone, the value of the "ushur" dhurra and the gum royalties amount to a total of £ E. 16,453 for dhurra. and £ E. 7,800 gum royalties.

It will be observed that in these two provinces the revenue is mainly derived from the cultivation of dhurra, which is the staple agricultural product. The future development of these districts, therefore, mainly depends on the further means of irrigation which can be placed at the disposal of the inhabitants. There are a certain number of sakias along the river banks, but the bulk of the crops are grown on rain lands. I recently rode across the Gezireh from Wad Medani on the Blue Nile, to opposite Duem on the White Nile, a distance of some 80 miles, across a perfectly flat plain, sown almost throughout its entire length with dhurra. As there is only one crop grown during the short rainy season, and as this cereal is planted and harvested within a period of sixty to eighty days, it follows that if a system of irrigation were feasible in the Gezireh, it would become a huge granary capable of supplying not only the whole Soudan but other countries as well.

But without proper means of transport this rich district is of comparatively small value from a revenue point of view. Statistics show that in the Abud district of the Gezireh the "ushur" collected amounted to 5,094 ardebs, but of this quantity 1,960 ardebs were issued as payment to the native camelmen who conveyed it to Duem. The existence of a light railway would of course obviate all this, but until improved irrigation increases the annual number of crops, it is doubtful if such a project would be a financial success.

The difficult navigation of the Blue Nile also renders the transport of grain by the present class of steamers very uncertain; light-draft steamers would overcome this difficulty, but want of funds has hitherto prevented their purchase.

The above remarks also apply, in a like degree, to the transport of gum from the interior of Kordofan to the White Nile; here also a light railway would prove most advantageous, and, if rumour be true, there is an inexhaustible supply of this valuable product in the Kordofan forests.

Ownership of Land.

As regards the ownership of urban and rural lands in the Soudan, the scheme detailed in the annual Report of 1899 has been worked upon with generally satisfactory results.

The duties of the Khartoum Town Land Commission virtually ceased on the 31st January, 1900, but since that date to the end of May the Court assembled three times a week to adjust and settle claims, and up to the present time the examination of fresh petitions necessitates a constant reassembly. With the exception of 250 claims all the allotments have now been made, and of these latter the cause of non-settlement lies principally with the claimants themselves, who, in spite of frequent summonses to attend in order to take up the ground allotted to them, have up to the present failed to do so. I consider much credit is due to Lieutenant-Colonel Drage, the President of this Court, for the satisfactory manner in which this arduous duty has been performed.

A Rural Land Commission to settle and register the ownership of land in the Khartoum Province was started in April last, and latterly it has been placed under the Presidency of a British officer. Although some 440 cases have now been settled, it is calculated that the Commission will take between one and two years to complete its labours. Many of the titles produced date back to between eighty and ninety years, and under such circumstances the difficulty of the work can be well understood.

There are occasional complaints at both Halfaya and in the neighbourhood of Khartoum on account of the necessity which has arisen for the Government to take over certain lands in connection with town extension, building of barracks, &c. In some cases fair compensation has been offered, and in others valuable land elsewhere has been assigned to the original owners, but, conscious of the fact that sooner or later land at both these places will be very valuable, they have either hesitated to accept the compensation offered, or they have entirely refused to accept other lands in exchange.

During the last year, 359 cases of disputed land were settled by the Berber Land Commission, who experienced occasional difficulties in making the people accept their decisions. The Governor reports that he himself has frequently attended the sittings, and that he is satisfied that the claims are receiving full and just consideration. He points out, however, the great difficulty of procuring capable land measurers to complete the registration. This is a universal complaint throughout all districts assessed according to the Land Tax Ordinance, but the want is a most difficult one to supply. Even in Egypt, which is our only recruiting ground for properly qualified land measurers, the supply is unfortunately not equal to the demand.

The Kassala Land Commission has completed its work at that town, and is about to proceed to Gedaref. Upwards of fifty-five claims for house property, sakias, and gardens at Kassala were settled, but, owing to the absence of claimants, a considerable quantity of garden land and building sites become the property of the Government. This is now being surveyed, and the question of either letting or selling it outright is under consideration.

The claims at Gedaref are similar to those at Kassala; but here, as in most of the rain-watered districts, there is no real ownership of rural land or of land flooded by the Gash; only tribal rights are claimed.

The Administrator of Halfa reports that all the lands are now, to the best of his belief, registered in their owners' names, and although from time to time disputes do occur, there are none of a serious nature.

A few only of the owners of houses or land in Suakim are registered. This is perhaps due to the fact that until recently Egyptian regulations applied to this port, but had not been enforced.

A Land Commission has been appointed for Senaar, but has not yet commenced its labours. Large numbers of claims are being put forward in this district.

Trade.

The obstacles to trade development in the Soudan are mainly due to difficulties of transport to the more remote districts, deficient irrigation, paucity of labour, and last, but not least, want of enterprise on the part of the traders.

The old trade of the Soudan consisted chiefly of the import of Manchester goods and of the export of gum, ostrich feathers, ivory, and india-rubber. The new trade follows much on similar lines, but the improved facilities of transport afforded by the construction of the railway to Khartoum offer advantages of which the pioneers of African trade would not appear so far to have fully profited.

The irrigation question is one of vital importance, not only to the Soudan but also to Egypt, and any extensive hydraulic undertakings in this country, which would deprive Egypt of her full water supply, must naturally be suspended until such time as the construction of the various Nile barrages is completed, whereby that water supply will be fully guaranteed. This need not imply that irrigation on a small scale must not be attempted in the Soudan; on the contrary, Sir William Garstin, on whom devolves the responsibility of providing Egypt with all the water it requires, is far from opposing the construction of water-wheels, the erection of pumps, and the development of other means of irrigation on the modified scale, which the present condition of the Soudan would appear to require.

Some system of basin irrigation on the Blue Nile might be initiated without unduly endangering the water supply of Egypt, and it is hoped that the services of a fully qualified hydraulic engineer may be shortly placed at the disposal of the Soudan Government to report on the feasibility of, and eventually to carry out, some such scheme.

Again, in connection with such undertakings, it must be remembered that the Soudan population has greatly decreased during the years of the Dervish rule. Apart from the difficulty of finding labour to carry out any extensive public works of this description, there is also the question of finding labour to cultivate the lands thus benefited. Everything, therefore, points to the necessity of developing gradually, and of undertaking nothing which will tax too heavily the meagre resources of the country.

The Reports received from the various Governors on the agricultural and commercial prospects of their respective provinces show that there is considerable scope for trade in other articles besides grain. Windmills, steam-pumps, ferries, small bridges, buildings of all sorts, exploitation of forests, development of the gum trade, and many other desiderata immediately present themselves to the mind of the pioneer trader, and although every discouragement should be given to undertakings likely to bring about a "rush" into a country, which is only slowly recovering from the disastrous consequences of years of misgovernment and internal chaos, nevertheless it is astonishing to note the rapidity with which the country and the people are reviving, and I should be failing in my duty as local Representative of Great Britain and Egypt if I did not publicly point out that there are openings—and valuable openings too—for commerce and trade of every description in the Soudan.

Reference has already been made to the desirability of light railways in various parts of the country. A light line connecting El Obeid with Duem, on the White Nile, would undoubtedly be very advantageous from many points of view. Commercially speaking, the transport of gum could not fail to be remunerative. At present, merchants employ private camels to convey this commodity to the Nile, whence it is brought in steamers and boats to Omdurman or Halfaya and by train to Halfa. The railway rates on exports from the Soudan have been already considerably reduced, and it is under consideration to make, if possible, a still further reduction. All supplies, building material, &c., for the troops are conveyed to El Obeid by Government transport camels, and the upkeep of this corps forms a considerable item of expense. The existence of a light railway would render the retention of this transport corps no longer necessary; but, on the other hand, a Government guarantee would presumably be required by any Company undertaking its construction and maintenance.

A light railway across the Gezireh, opposite Duem, to Wad Medani, on the Blue Nile, tapping the grain-growing districts at Maatuk, Abud, and Managil, also presents no difficulties of construction, but, pending the introduction of a scheme for irrigation on a somewhat extensive scale, its commercial value would necessarily be uncertain.

A light railway might also be constructed connecting the fertile Gedaref district with the Blue Nile at Abu Haraz, but here, again, the paucity of population in these valuable eastern districts must be taken into consideration in estimating its commercial value.

There seems a fair prospect of the development of trade with Abyssinia both viâ the Blue Nile at Famaka and Roseires and viâ Gallabat and Gedaref; hence the

improvement of communications with the Abyssinian frontier both by land and water is deserving of special consideration.

In point of distance, Kassala is at present the most remote from large trade centres of all the Soudan provinces. Of the three routes Kassala–Berber, Kassala–Suakin, and Kassala–Massawa, the first is the most used by camel caravans; and of the two latter, the Massawa–Kassala road is considered to be the least expensive for transport of trade goods, principally on account of the superior steam communication between Massawa and the other ports. I understand that there is some idea of extending the existing railway from Massawa in the direction of Kassala.

A satisfactory arrangement has been arrived at between the Abyssinian and Soudan Governments whereby the customs dues collected at Gallabat are equally divided.

The prospects of trade with the Nile posts of the Uganda Protectorate and with the Belgian post at Reggaf has been referred to elsewhere. The paucity of steamers precludes, for the present, any very extensive development in this direction, nor is it in every respect desirable that Government should undertake this trade as a permanency. On the contrary, the more private enterprise can be introduced the more advantageous will it be for all concerned. The only obstacle is the scarcity of wood fuel on the one hand, and the prohibitive cost of coal delivered at Khartoum on the other. Moreover, the present state of the railway and the want of sufficient rolling-stock are both important factors, and must be seriously considered before any heavy transport work over the lines can be undertaken.

The absence of telegraphic communication south of Gebelein (230 miles south of Khartoum) is inconvenient, but it may be found possible to adopt the Marconi system at fixed stations and on the White Nile steamers.

Health of the Troops.

The following extracts from the annual Report of Major Penton, the Principal Medical Officer of the Egyptian army, dealing with the health of the troops, stations, and available hospital accommodation, may be of interest:—

"There has been an increase of sickness this year amongst the troops serving in the Soudan, due to the exceeding prevalence of malarial fever. The rainfall was excessive throughout the Soudan, including Kordofan, White and Blue Niles, and Kassala districts. During and immediately after the rains, the sick rate steadily rose, reaching its maximum in September, and then slowly decreasing. The increase of sickness was almost entirely due to malarial fever, both remittent and intermittent forms.

"Excluding the above disease, others of importance were small-pox, dysentery, S. C. fever, eye diseases, parasites (especially guinea worm), anæmia, and scurvy. Of these, small-pox causes most anxiety. There was one case only of enteric fever at Omdurman and two at Khartoum, and three of cerebro-spinal meningitis, in the spring. This fatal disease, which had prevailed in Omdurman and Khartoum in the winter months since the occupation of the Soudan, has happily now disappeared; not a single case occurred this winter, and there are grounds for believing that it will in the future no longer be a cause of anxiety under the present improved condition of sanitation."

Conclusion.

The Reports received from the Moudirs and Administrators on the condition of their respective districts show that satisfactory progress is being made; crime is rare, and confidence in the methods of government is growing daily among the outlying populations; but the universal cry is for capital outlay, or advances, to develop irrigation and communications, without which little economic improvement is attainable.

Considerable progress has also been made in the organization of the Central Government. The offices of Deputy Governor-General and Civil Secretary have been combined in the person of Colonel Jackson, who is assisted by a competent staff. In addition there are Financial, Legal, and Educational Secretaries, who have organized and directed their respective Departments with conspicuous success.

The hitherto somewhat nebulous distinction between the civil and military attributes of the various senior officers and officials—inevitable in the early stages of organization—is gradually becoming more defined, and the respective military and

civil duties are now kept as distinct as possible. This change has had the best possible results. In point of fact, a Soudan Civil Service has been created with this difference: that the officials are military, and in the early stages of a country's development there can be little doubt that the introduction of the somewhat rigid system of discipline and enforced obedience to orders cannot fail to be of benefit in every respect.

There is, however, one serious drawback to this system: the military officers, being borne on the active list of the British army, are liable to recall for various reasons, or they may tire of their arduous work and desire to return to their own service and the more congenial surroundings of stations at home or abroad. In short, the British officers cannot be counted on as a permanency, and in consequence provision must be made to gradually introduce into the machinery of civil government a more permanent element in the shape of young and carefully-selected civilians, who will enter the Soudan with the intention of making their careers in the country. Already a few of these have joined, and will no doubt in time become fitted to hold the more important positions now filled by British officers.

In this connection I desire to take the opportunity of expressing my gratitude to the British War Office authorities for the support they have given me in altering and amending the Regulations dealing with the service of British officers in the Egyptian army, whereby the conditions relating to their retention in this country have been modified without detriment to their careers in the British Service. I have every confidence that these improved Regulations will go far towards increasing the efficiency and popularity of service in the Soudan.

I cannot close this Report without recording my appreciation of the manner in which officers, non-commissioned officers, soldiers, and officials—British, Egyptian, and Soudanese without distinction—have laboured during the past year to push on the work of regenerating the country. Nor can I pass over without mention the loyal and valuable assistance I have received from many of the local Ulemas, Sheikhs, and Notables, who have displayed a most genuine desire to see their country once more advancing in the paths of progress, and material and moral improvement.

I would especially bring to notice the services of Colonel Jackson, who, during my enforced absence from the country, officiated for me, and to whom much of the credit for such success as has been attained is due.

My special thanks are also due to Colonel Fergusson and to the various Governors, Administrators, Heads of Departments, and other British and native officers and officials, of whose valuable work during the past year this Report is, I hope, a sufficient record.

(Signed) REGINALD WINGATE,
Governor-General.

Khartoum, January 30, 1901.

No. 11.

Viscount Cromer to the Marquess of Lansdowne.—(*Received March* 19.)

(No. 22.) *Cairo, March* 19, 1901.
(Telegraphic.) P.

THE Egyptian Government received last year, both in July and September, communications from the Porte on the position of Turkish refugees, who might be living in Egypt, asking that certain decisions of the Sultan might be conveyed to them. The Egyptian Government, at my suggestion, returned no reply: and they have now received a more urgent request.

Though I propose to advise them to pursue the same course, I am inclined to think that the Porte should be given to understand that observations upon this matter must be addressed to our Ambassador at Constantinople, so long as we are in occupation of Egypt. I have no doubt that, in the present case, the Sultan intends to attack either Mahmoud Damad or Ismail Kemal, or both of them; but he gives no names. Those who "publish false news against the Government" are specially mentioned.

It is desirable that we should take up this matter ourselves; but I will not advise any action until I receive your reply.

No. 12.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 20.)
(Telegraphic.) P. *Foreign Office, March* 21, 1901.

TURKISH refugees in Egypt. With refere ce to the telegram from His Majesty's Agent and Consul-General at Cairo, No. 22, of the 19th instant, which has been repeated by him to your Excellency, I request that you will furnish me with your observations on the subject.

No. 13.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 21.)
(Telegraphic.) P. *Foreign Office, March* 22, 1901.

I HAVE received your Excellency's telegram No. 9 of to-day's date, relative to Turkish refugees in Egypt.

I authorize you to make a communication to the Porte to the effect that His Majesty's Government are of opinion, in view of the peculiar position occupied by this country in regard to Egypt, that such observations as the Ottoman Government may wish to offer on the subject of Turkish refugees now resident in Egypt might more conveniently be addressed to His Majesty's Representative at Constantinople. Your Excellency may employ such terms as you think judicious in making this communication.

No. 14.

The Marquess of Lansdowne to Viscount Cromer.

(No. 15.)
(Telegraphic.) P. *Foreign Office, March* 22, 1901.

I HAVE received your Lordship's telegram No. 22 of the 19th instant, relative to Turkish refugees in Egypt.

His Majesty's Ambassador at Constantinople has been authorized, in a telegram which has just been repeated to you, to make a communication to the Porte in the sense suggested by your Lordship. His Excellency has pointed out that it will be necessary to exercise caution in this matter in order to avoid producing an impression prejudicial to the success of the various negotiations in which he is engaged with the Ottoman Government.

No. 15.

Viscount Cromer to the Marquess of Lansdowne.—(*Received March* 23.)

(No. 22.)
Cairo, March 11, 1901.

My Lord,

WITH reference to my telegram No. 15 of the 18th ultimo, I have the honour to report that I learned from His Majesty's Ambassador at Constantinople that the Sultan declined to detain the Cadi, whom he had appointed without consulting the wishes of the Khedive's Government, on the grounds that it would be derogatory to his position as Kaliph to do so after the appointment had been made. His Imperial Majesty further stated that he had never recognized the arrangements made in the time of the Khedive Ismaïl. A part of this arrangement was to the effect that the Sultan should nominate a Cadi who would remain at Constantinople receiving a salary of £ T. 3,000 from the Egpytian Government, and a Deputy Cadi, who should exercise legal functions in Egypt, and be chosen by the Khedive.

As His Imperial Majesty has elected to nominate a Cadi for Egypt without reference to the Egyptian Government, this arrangement falls to the ground, and there is no reason why the sum of £ T. 3,000 should any longer be paid.

No. 12*.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received March* 22.)

(No. 9.)
(Telegraphic.) P. *Pera, March* 22, 1901.

TURKISH refugees in Egypt.

With reference to your Lordship's telegram No. 20 of yesterday, I consider that some intimation of the kind suggested in Lord Cromer's telegram No. 22 can be made; but it is very desirable that the views of the Sultan's monomania should not be turned against us in a way seriously to impede the transaction of current affairs, and the proposed intimation should therefore be made with caution.

I have the honour to transmit to your Lordship herewith a translation of a telegram which the Khedive has forwarded to the Grand Vizier notifying the discontinuance in future of the payment of this sum of £ T. 3,000 from the Egyptian Treasury.

I have, &c.
(Signed) CROMER.

Inclosure in No. 15.

His Highness the Khedive to the Grand Vizier.

(Télégraphique.)

EN vertu de l'accord qui a eu lieu entre mon grand-père et la Suolime Porte, j'avais proposé à l'approbation de Sa Majesté Impériale le Sultan les noms de deux Ulemas afin que l'un d'eux soit nommé à la place de Jemal-ed-Din Effendi. Votre Altesse m'a prévenu par sa dépêche en date du que Sa Majesté Impériale a daigné nommer Yahia Effendi comme Cadi du Caire. Désireux toujours de faire tout ce qui plaît à Sa Majesté pour mériter sa haute bienveillance, j'ai reçu le dit Yahia Effendi et je l'ai installé dans ses nouvelles fonctions.

Mais votre Altesse n'ignore pas que l'accord susdit prescrivait la nomination annuelle par le Sultan d'un Cadi qui resterait à Constantinople, où il recevrait £ T. 3,000 payées par le Gouvernement Égyptien, et un Naib choisi par le Khédive exercerait les fonctions chariehs au Caire.

Du moment que Yahia Effendi n'est plus Naib choisi par le Gouvernement, mais Cadi titulaire, il s'ensuit que l'accord susdit est devenu entièrement comme non-avenu, et que la somme de £ T. 3,000 ne doit plus être payée à Constantinople par le Trésor Égyptien puisque le Cadi touche déjà un traitement en Égypte.

C'est ainsi que le Gouvernement a décidé de ne plus payer les £ T. 3,000 dont il s'agit, et j'ai l'honneur d'en informer votre Altesse.

No. 16.

Viscount Cromer to the Marquess of Lansdowne.—(*Received March* 23.)

(No. 23.)
(Telegraphic.) P. *Cairo, March* 23, 1901.

THOUGH I regret to lose this opportunity, we might defer making the communication to the Porte which I suggested. In the meantime, however, the Egyptian Government must take action in one way or another. Can I advise them to return no reply to the Sultan's letters, and tell them at the same time that, if difficulties arise from this course, His Majesty's Government will be responsible?

I feel that it is most undesirable to leave them to act alone in this matter.

No. 17.

The Marquess of Lansdowne to Viscount Cromer.

(No. 17.)
(Telegraphic.) P. *Foreign Office, March* 23, 1901.

WITH reference to your Lordship's telegram No. 23 of to-day's date, could you furnish me with a general statement as to the nature of the decisions which the Sultan has requested the Egyptian Government to communicate to the Turkish refugees in Egypt? I concur in your Lordship's opinion that this is a question of which His Majesty's Government should have the direction, but it is desirable to avoid, if possible, the irritation which would naturally be felt by the Porte if these messages are simply and persistently ignored.

No. 18.

Viscount Cromer to the Marquess of Lansdowne.—(Received March 24.)

(No. 26.)
(Telegraphic.) P. *Cairo, March 24, 1901.*

I GIVE the following summary of the Sultan's original communication, as requested in your telegram No. 17. Unless he has obtained permission, any Turkish official leaving the country may be punished. In the case of his having published attacks upon the Government, he will, after being dismissed from the service, be tried by military law, whether a soldier or civilian. All officials will be thus tried who, having left the country, fail to return within twenty days to Constantinople to beg for pardon, after being previously warned to do so.

In the case of defamation of the Government by non-officials, all such persons will be tried by civil law.

The conclusion of the message is to the effect that there are in Egypt some persons to whom the above conditions apply, either those who are living there in an unsettled state or those who have attacked the Government through the press; and the Porte requests that such persons may be informed of His Imperial Majesty's decision and notification be made as soon as possible of the measures which have been taken.

These communications could perfectly well be made directly to the individuals themselves, all the refugees being well known in Constantinople. The latter, and the public in general, will regard such messages as emanating from us if they are made through the medium of the Egyptian Government; trouble and misunderstanding will in all probability arise in whatever way the communications are worded.

No. 19.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 24.)
(Telegraphic.) P. *Foreign Office, March 25, 1901.*

IN my immediately preceding telegram I repeated to your Excellency Lord Cromer's telegram No. 26 of the 24th instant relative to Turkish refugees in Egypt.

It would be advisable to inform the Porte that His Majesty's Government understand that the Egyptian Government have received messages pressing them to make a communication to the refugees of the nature described by Lord Cromer and to furnish a list of the persons to whom they have made this communication.

Your Excellency should point out that, in view of the position occupied by His Majesty's Government in Egypt as responsible for the maintenance of law and order, if any such communication were to be made through the Egyptian Government it would undoubtedly be regarded as made with the consent of His Majesty's Government and supported by their authority. The matter would certainly form the subject of Parliamentary questions and discussions, and would generally give rise to much disagreeable comment.

If, therefore, these communications are considered necessary His Majesty's Government must strongly advise that the Ottoman Government should send them direct to the persons for whom they are intended, and that the attempt to forward them through the Egyptian authorities should not be further pursued.

No. 20.

Viscount Cromer to the Marquess of Lansdowne.—(Received March 26.)

(No. 27.)
(Telegraphic.) P. *Cairo, March 26, 1901.*

I LEARN that Ismaïl Kemal is going to Italy. He is not leaving this country under any compulsion, but of his own will.

No. 21.

Viscount Cromer to the Marquess of Lansdowne.—(Received April 1.)

(No. 30.)
Cairo, March 23, 1901.

My Lord,

I HAVE the honour to transmit to your Lordship herewith copy of a Khedivial Decree, appointing Mr. Cecil Spring-Rice British Commissioner on the Caisse de la Dette Publique.

I have, &c.
(Signed) CROMER.

Inclosure in No. 21.

Decree dated March 18, 1901.

NOUS, Khédive d'Égypte,
Vu l'Article 5 du Décret en date du 2 Mai, 1876,

Décrétons :

Mr. Cecil Spring-Rice, Premier Secrétaire de Légation, est nommé Commissaire-Directeur de la Caisse de la Dette Publique, en remplacement de Sir Alonzo Money, décédé.

Fait au Palais d'Abdine le 18 Mars, 1901.

(Signé) ABBAS HILMI.

Par le Khédive :
Le Président du Conseil des Ministres,
(Signé) MOUSTAPHA FEHMY.

No. 22.

Viscount Cromer to the Marquess of Lansdowne.—(Received April 4.)

(No. 32.)
(Telegraphic.) P. *Cairo, April 4, 1901.*

I HAVE just received a visit from the two sons of Mahmoud Damad Pasha. They informed me that his Excellency was about to return to Constantinople in consequence of the Khedive's refusal to continue to provide the considerable sums which he has been paying for Mahmoud Pasha's subsistence for some while past.

The Khedive has put great pressure on the sons of Mahmoud Pasha to induce them to accompany their father to Constantinople, but they decline, and prefer to go to Europe. They ask for my protection in the event of force being used. I informed them that, being both of age, they were at liberty to go wherever they pleased, and that whilst they remained in Egypt no forcible measures should be employed against them.

I have telegraphed the above to His Majesty's Ambassador at Constantinople.

No. 23.

Viscount Cromer to the Marquess of Lansdowne.—(Received April 7.)

(No. 33.)
(Telegraphic.) P. *Cairo, April 7, 1901.*

I LEARN that the two sons of Mahmoud Pasha Damad have left Egypt for France. I have informed His Majesty's Ambassador at Constantinople of their departure.

No. 24.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received April 15.)

(No. 134.)
My Lord, *Constantinople, April 4, 1901.*

I HAVE the honour to report that I spoke to the Minister for Foreign Affairs on the 2nd instant in the sense of your Lordship's telegram No. 24 of the 25th ultimo, respecting the communications sent through the Egyptian Government and addressed to political refugees prescribing certain pains and penalties in case they do not return to Turkey within a fixed date.

I said that His Majesty's Representative in Cairo had overlooked the communications as long as possible, but that, as the Sublime Porte appeared to be pressing the Egyptian Government for a reply, Lord Cromer could not avoid taking cognizance of a proceeding which, rightly or wrongly, would be laid at his door.

I then went on to say that His Imperial Majesty had on more than one occasion borne testimony to the friendly policy of His Majesty's Government in Egypt, and it was certainly not their wish or intention that Egyptian territory should become a centre of political intrigue against the Sultan. At the same time they were responsible for the maintenance of order in that country and for the enjoyment of political liberty, and if they took no notice of the recent action of the Imperial Government it would be assumed that it was sanctioned by them, and expose them to criticism and questions in Parliament which would not be pleasant to His Imperial Majesty or conducive to the good relations between the two countries.

The Sublime Porte could, I said, take their own measures for communicating direct with the parties concerned if they thought it advisable, but these communications should not be made through the channel of the Egyptian Government, especially without notice or arrangement with His Majesty's Embassy. I was, therefore, instructed by your Lordship to strongly advise that the practice should be discontinued.

The subject was one which the Minister was evidently unwilling to touch, and he merely replied that he would report my observations in the proper quarter.

I have, &c.
(Signed) N. R. O'CONOR.

No. 25.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 91.)
Sir, *Foreign Office, April 18, 1901.*

I HAVE received your Excellency's despatch No. 134, of the 4th instant, reporting a conversation with the Turkish Minister for Foreign Affairs, respecting the requests made to the Egyptian Government to communicate to political refugees in Egypt the penalties to which they will be liable if they do not return to Turkey within a fixed date.

I approve the language which your Excellency held to Tewfik Pasha on this subject.

I am, &c.
(Signed) LANSDOWNE.

No. 26.

Viscount Cromer to the Marquess of Lansdowne.—(Received April 21.)

(No. 36.)
(Telegraphic.) P. *Cairo, April 21, 1901.*

I HAVE the honour to inform your Lordship that his Excellency Mahmoud Pasha Damad has left Egypt, and is proceeding to France.

I have communicated the above to His Majesty's Ambassador at Constantinople.

No. 27.

Viscount Cromer to the Marquess of Lonsdowne.—(Received April 22.)

(No. 38.)
My Lord, *Cairo, April 13, 1901.*

I HAVE the honour to transmit to your Lordship herewith two copies of the Khedivial Decree, dated the 1st ultimo, modifying the Code of the Mixed Tribunals in respect to the position of foreign Diplomatic and Consular functionaries in Egypt when concerned in cases which are of the competence of these Courts.

I have, &c.
(Signed) CROMER.

Inclosure in No. 27.

Khedivial Decree, dated March 1, 1901.

NOUS, Khédive d'Égypte,

Vu le Règlement d'Organisation Judiciaire pour les Procès Mixtes en Égypte;

Après accord intervenu entre notre Gouvernement et les Puissances qui ont adhéré à la réforme judiciaire;

Sur la proposition de notre Ministre de la Justice et l'avis conforme de notre Conseil des Ministres,

Décrétons:

Article 1er. Tous les fonctionnaires Diplomatiques ou Consulaires, Envoyés de l'étranger en Égypte (missi), et leurs familles, auront la faculté d'actionner les tiers devant les Tribunaux Mixtes Égyptiens, sans cependant être justiciables de ces Tribunaux comme défendeurs, sauf dans le cas de demandes reconventionnelles jusqu'à due concurrence de la demande principale.

S'ils s'occupent de commerce ou d'industrie, s'ils possèdent ou exploitent des immeubles en Égypte, ils seront soumis à la juridiction des Tribunaux Mixtes Égyptiens, pour toutes les affaires commerciales ou industrielles et pour toutes les actions réelles immobilières où leur qualité officielle ne sera pas en cause.

Tous les autres fonctionnaires non compris dans le premier paragraphe du présent Article, ainsi que les cawas, seront assujettis à la juridiction mixte pour toutes les affaires ne concernant pas leurs fonctions officielles.

Art. 2. Ces dispositions entreront en vigueur un mois après la publication qui en sera faite dans les formes prévues par l'Article 35, Titre I, du Règlement d'Organisation Judiciaire.

Art. 3. Notre Ministre de la Justice est chargé de l'exécution du présent Décret.

Fait au Palais de Koubbeh, le 1er Mars, 1901.

(Signé) ABBAS HILMI.

Par le Khédive:
Le Président du Conseil des Ministres,
(Signé) MOUSTAPHA FEHMY.
Le Ministre de la Justice,
(Signé) IBRAHIM FOUAD.
Le Ministre des Affaires Étrangères,
(Signé) BOUTROS GHALI.

No. 28.

Viscount Cromer to the Marquess of Lansdowne.—(*Received May* 13.)

(No. 47.) *Cairo, May* 2, 1901.

My Lord,

YOUR Lordship will be glad to learn that it may now be stated with certainty that the whole of the masonry foundation of the Assouan dam will be completed before the rise of the Nile in July.

It is most desirable that the dam should be in working order before the flood of 1902–1903. Whether this will be possible depends now on the timely delivery of the iron-work which is being made by Messrs. Ransome and Napier, an Ipswich firm. I would suggest that Sir Benjamin Baker be consulted as to whether an expression of interest in the matter on the part of His Majesty's Government would do any good in the way of hastening on the work.

I have, &c.

(Signed) CROMER.

No. 29.

Viscount Cromer to the Marquess of Lansdowne.—(*Received May* 20.)

(No. 46.) *Cairo, May* 20, 1901.

(Telegraphic.) P.

AT the instance of His Royal Highness the Duke of Cornwall and York, I have made a strong representation to the Khedive as to the desirability of permitting the return to Egypt of the two Egyptian exiles who are still in Ceylon, viz., Arabi and Ali Fehmi. It is the unanimous opinion of the Egyptian Ministers—an opinion in which I fully concur—that even if these men wished to create any mischief, they would be powerless to do so.

The Khedive has given his consent to their return, but has done so very reluctantly.

I have had the honour to inform His Royal Highness of this result, and as soon as the Decree of pardon is signed, I propose to communicate with Sir J. West-Ridgeway on the subject.

No. 30.

Viscount Cromer to the Marquess of Lansdowne.—(*Received June* 3.)

(No. 56. Confidential.) *Cairo, May* 23, 1901.

My Lord,

I HAVE already informed your Lordship that, at the instance of the Duke of Cornwall and York, the Khedive has consented to the return of the two remaining Ceylon exiles, Arabi and Ali Fehmy.

I was unable to see the Khedive myself as His Highness is at Alexandria, but I asked the Egyptian Prime Minister and Mr. Gorst, who were about to proceed to Alexandria to attend a meeting of the Council, to speak to His Highness on the subject, and I authorized Mr. Gorst to show to the Khedive the letter which His Royal Highness had addressed to me.

I should, in the first instance, mention that the Egyptian Ministers are unanimously of opinion that Arabi's return can do no harm. I fully concur in this view. Sir West Ridgeway spoke to me on this subject some two years ago in London. He urged that both the exiles were much aged, that they were broken down in health, that they had been sufficiently punished, and that they were quite incapable of again taking any leading part in political affairs. I do not doubt the correctness of these statements, but I am not sure that, if the argument based on them had stood alone, I should have been altogether convinced. What, I venture to think, is more to the point is that the Arabi movement, at all events in the form in which Arabi would constitute himself a leader of it, has completely died out. Under the present condition of affairs in Egypt, it would not be possible for Arabi, or for any younger friends or partisans whom he may still

possess, to create any serious mischief, even if they wished to do so. Under these circumstances, I see no objection to allowing the return of the two exiles.

From former conversations, when I had succeeded in obtaining permission for two other exiles to return, I was aware of the views which the Khedive entertained on this subject. I was not, therefore, surprised to learn from Mr. Gorst that His Highness was at first inclined to write to the Duke of Cornwall and explain to His Royal Highness the reasons which rendered it undesirable that the exiles should be allowed to return.

In a letter from the Khedive, which I eventually received and forwarded to the Duke of Cornwall, His Highness alludes to the part which Arabi and Ali Fehmy took in the massacres and disturbances of 1881–82. These, however, are not the real reasons which influenced His Highness' judgment.

These reasons are twofold.

In the first place, shortly after the Khedive's accession, His Highness was anxious that permission should be given to his grandfather, Ismaïl Pasha, to return to Egypt. This permission was, most wisely, refused. Ismaïl Pasha's presence in Egypt would have caused much trouble and confusion, and would on every ground have been most undesirable. I may add that he would have been an extremely bad adviser to his young grandson.

The Khedive, however, argued that, as permission was not given to Ismaïl Pasha, neither should it be accorded to Arabi. I need hardly say that there is little, if any, connection between the two subjects.

The second reason was that Ali Fehmy, against whom the Khedive is much more bitter than against Arabi, had been personally rude to his father, the late Khedive. In 1881–82 the present Khedive was a child. He must, therefore, have obtained this information from some of his surroundings. It is very possibly correct. Ali Fehmy was the real originator of the Arabi rebellion. He was on the late Khedive's staff, and was at one time one of his most trusted officers. Subsequently, for reasons with which I am unacquainted—for I was not in Egypt at that time—he fell into disgrace. His friendship turned into the most bitter animosity against the Khedive. Indeed, there is good reason for supposing that he planned the first mutiny of the Egyptian army out of fear that the Khedive would, sooner or later, punish him in some condign form.

However this may be, the fact alleged by the Khedive is scarcely of itself a sufficient reason for refusing permission to the exiles to return.

Mr. Gorst talked the matter over with the Khedive, and eventually convinced His Highness that it would be desirable to yield the point. I should add that, without the personal intervention of His Royal Highness the Duke of Cornwall, this result would not have been attained, at all events without using stronger diplomatic pressure than the circumstances of the case appear to justify.

Arabi's return will probably afford food for newspaper comment during a short period, but I do not anticipate that it will produce any further result.

I have, &c.

(Signed) CROMER.

No. 31.

Viscount Cromer to the Marquess of Lansdowne.—(*Received June* 3.)

(No. 58.) *Cairo, May* 26, 1901.

My Lord,

I HAVE the honour to inclose a copy of some new Regulations which have been issued on the subject of the financial relations between Egypt and the Soudan.

Experience showed the necessity of establishing a somewhat greater degree of control on the part of the Egyptian Financial Department than had hitherto been the case.

I have, &c.

(Signed) CROMER.

Inclosure in No. 31.

Financial Regulations to be observed by Soudan Government.

1. GOVERNOR-GENERAL of Soudan and Financial Secretary are responsible to the Ministry of Finance for the strict execution of the following Regulations. No exceptions thereto may be authorized without the previous sanction of the Ministry of Finance.

2. A detailed Budget of the receipts and expenditure for each year will be submitted for the approval of the Council of Ministers by the 15th November of the preceding year.

3. No new tax may be imposed or existing tax altered without reference to the Ministry of Finance.

4. Civil appointments in the Soudan are not under the Egyptian Finance Code, including pension laws. When an employé already serving for pension is definitely transferred to the Soudan, he may continue to be under the Egyptian Pension Laws, but all such transfers must be approved by the Ministry of Finance beforehand.

5. All regulations on financial matters, especially those connected with pay, allowances and leave, shall be communicated to the Finance Ministry before promulgation. Exceptions to the provisions of such regulations shall not be authorized without the previous assent of the Ministry of Finance.

6. No extra pay, allowances, &c, can be given other than such as are provided in the Budget.

7. The expenditure on personnel, provided in the Budget, cannot be increased in the course of the year, nor can new appointments, not provided in the Budget, be made.

8. Promotions, other than to vacant posts, and increases of pay, must date from the 1st January and must be proposed in the Budget. There must be an interval of at least two years from date of last promotion or increase.

9. No new pensions or allowances to be granted without reference to Ministry of Finance.

10. No expenditure, for which provision has not been made in the Budget, may be incurred without the approval of the Ministry of Finance.

11. The Chapter for Public Works in the Budget is not to be exceeded or increased by economies realized under other chapters.

12. The railway expenditure may be increased over the Budgetary provision, provided that the net deficit, as shown in the Budget, is not thereby increased. Transfers from other chapters to railways are not allowed.

13. The Ministry of Finance has at all times the right of supervision, audit, or inspection of the whole of the financial arrangement of the Soudan Government.

14. The above Regulations are introduced as a tentative measure, and are liable to such alterations and amendments as further experience may suggest, and as may be considered necessary by the Ministry of Finance in consultation with the Governor-General of the Soudan.

(Signed) J. L. GORST, *Financial Adviser.*
F. R. WINGATE, *Governor-General of the Soudan.*

Cairo, May 6, 1901.

No. 32.

Foreign Office to Treasury.

Foreign Office, June 6, 1901.

Sir,

I AM directed by the Marquess of Lansdowne to transmit to you a copy of a despatch from His Majesty's Agent and Consul-General at Cairo,* forwarding a set of Regulations issued on the subject of the financial relations between Egypt and the Soudan.

I am to inquire whether the Lords Commissioners of the Treasury have any observations to make on these new Regulations.

I am, &c.
(Signed) T. H. SANDERSON.

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* No. 31.

No. 33.

Consul Alvarez to the Marquess of Lansdowne.—(Received June 21.)

(No. 9.)

My Lord, *Benghazi, June* 3, 1901.

I HAVE the honour to report that, about a month ago, I was privately informed that the Governor here had forwarded a couple of Ottoman flags to the Kaïmakam of Derna with orders to have them hoisted in the Oghba, six days' journey distant from Defne, and to send soldiers to guard them. I consequently wrote to Mr. Farrugia to make inquiries into the matter, as, from the wording of the information, I was afraid some encroachment on Egyptian territory was contemplated, Defne being, I presume, within Turkish territory, which, I understand, does not extend beyond the head of Marsa Soham.

Since then I have been informed that the furthest post of Turkish soldiers in the direction of Egypt is not at Derbend Defne, as I had at first imagined, but at a place called Wadi Defne, about half-way between Marsa Tobruk and the Gulf of Soham, two days' journey from the Great Oghba. I therefore suppose that the extent of territory referred to as separating the Oghba from Defne must have been considerably exaggerated in the first instance.

Mr. Farrugia now writes to say that the Acting Kaïmakam has been unable to carry out this order, as the troops are out in the interior guarding the crops. The matter, however, seems to me to be one to which I ought to call your Lordship's attention.

I have, &c.
(Signed) JUSTIN ALVAREZ.

No. 34.

Question asked in the House of Commons, June 27, 1901.

Mr. Labouchere,—To ask the Under-Secretary of State for Foreign Affairs whether, seeing that Arabi Pasha has stated that he is without the means to take his family back to Egypt, it is the intention of the Government to provide transport for him and his family.

Answer.

His Majesty's Government are not aware that Arabi Pasha has made any statement of the nature referred to. The matter would, in the first instance, be one for the consideration of the Egyptian Government.

No. 35.

Question asked in the House of Commons, June 28, 1901.

Mr. William Redmond,—To ask the Under-Secretary of State for Foreign Affairs whether he can state the yearly allowance Arabi Pasha received while in Ceylon, and whether such or any allowance is to be continued to him.

Answer.

Arabi Pasha has been in receipt of an allowance of 600*l.* a-year from the Egyptian Government while in Ceylon.

His Majesty's Government have not yet been informed what arrangements the Egyptian Government propose to make for the future.

No. 36.

The Marquess of Lansdowne to Viscount Cromer.

(No. 120.)
Foreign Office, June 28, 1901.

My Lord,

I TRANSMIT to you herewith copies of two questions which have been asked in the House of Commons,* and of the replies which have been returned to them with regard to the position of Arabi Pasha.

I should be glad to learn from your Lordship whether the statement attributed by Mr. Labouchere to Arabi, that he is without means to take his family back to Egypt, has actually been made by him to the Egyptian Government, and if so, whether, as appears to be natural, the Egyptian Government would be disposed to favourably entertain his request, that a passage may be provided for him and his family.

I shall be obliged if your Lordship will also inform me what arrangements are proposed by the Egyptian Government with regard to Arabi Pasha's return, and whether any provision is to be made for his future maintenance.

I am, &c.
(Signed) LANSDOWNE.

No. 37.

Viscount Cromer to the Marquess of Lansdowne.—(Received July 1.)

(No. 73.)
Cairo, June 20, 1901.

My Lord,

THE necessity of connecting Port Saïd with the general Egyptian railway system has long been felt. At present the only railway connection is by means of a narrow-gauge railway from Ismaïlia. This railway belongs to the Suez Canal Company.

I have now the honour to inform your Lordship that the Company has agreed to sell its existing line to the Egyptian Government. The details remain to be settled, but on all essential points the Egyptian Government and the Company are agreed. Concurrently with the alteration of the gauge, the harbour of Port Saïd will be enlarged.

The success of these negotiations, which at one time threatened to give a good deal of trouble, is largely due to the influence and exertions of Mr. Austin Lee.

I have, &c.
(Signed) CROMER.

No. 38.

The Marquess of Lansdowne to Viscount Cromer.

(No. 35.)
(Telegraphic.) P.
Foreign Office, July 6, 1901.

I HAVE received a telegram from His Majesty's Ambassador at Constantinople, reporting the arrival there of the Khedive.

Please inform me if you were aware of His Highness' intention to make this visit, and of the reasons which have induced him to do so.

No. 39.

Mr. Hohler to the Marquess of Lansdowne.—(Received July 7.)

(No. 65.)
(Telegraphic.) P.
Cairo, July 7, 1901.

YOUR Lordship's telegram No. 35.

The Khedive left Egypt with his family for the Piræus. His intention was to go himself to Divonne, viâ Brindisi, where several of his Aides de camp have gone to meet him, whilst his family were to go to Constantinople. He is due at Divonne on

* Nos. 34 and 35.

the 15th July. His unexpected visit to Constantinople may be due to the question of the Khedivial estates in Thasos, or it may possibly have something to do with the Leon Fehmy incident (see Lord Cromer's despatch No. 81). This man, who is supposed to be connected with the Young Turk party, was alleged to have been kidnapped with the cognizance, it was said, of His Highness.

I have repeated this to Sir N. O'Conor.

No. 40.

Viscount Cromer to the Marquess of Lansdowne.—(Received July 8.)

(No. 77.)
Cairo, June 25, 1901.

My Lord,

THE Greek Consul-General called on me to-day to ask whether His Majesty's Government would not again use their good offices to induce the Spanish Government to consent to the permanent appointment of a Greek Judge to the Court of Appeal at Alexandria.

I beg, on this subject, to refer your Lordship to the inclosures in the despatch to me No. 83 of the 27th April, 1900. No answer appears to have been received to the note addressed by Mr. Adam to the Spanish Government on the 18th April, 1900. All the Governments, except Spain, have agreed, and the opposition of this latter Power, whilst detrimental to Greek, does not appear in any way beneficial to Spanish interests. I venture to suggest that the attention of the Spanish Government might again be drawn to the subject.

I have, &c.
(Signed) CROMER.

No. 41.

Viscount Cromer to the Marquess of Lansdowne.—(Received July 8.)

(No. 81. Secret.)
Cairo, July 1, 1901.

My Lord,

IT is perhaps desirable that I should inform your Lordship very briefly of a recent incident which has attracted a good deal of public attention in Egypt.

On the 23rd June I received two telegrams from an Armenian resident at Alexandria, stating that a friend of his, Leon Fehmi by name, had been conducted to the Khedive's Palace on the morning of the 22nd, and that on his way to the Palace he had requested that, if he did not return in a few hours, I should be informed. As he had not returned, the matter was reported to me.

I found, on inquiry, that Leon Fehmi was a man of the worst character. He is a professional spy, who places his services at the disposal of any one who will pay him. He has been employed by the Sultan, also, I believe, by the Young Turkish party, and also by the Khedive or some of his surroundings.

Subsequently, it was stated that Leon Fehmi was confined in a cellar in the Ras-el-Tine Palace, and that he was very badly treated. He had, however, by paying one of the men who guarded him, managed to communicate with his friends outside.

I placed the matter in the hands of Major Chapman, who is attached to the Department of the Interior. I also saw the Khedive on the subject.

I do not think that I need enter into the whole of the details, but I may state briefly the general conclusions at which I have arrived.

That the Khedive has behaved foolishly, I do not doubt. He has managed to get himself mixed up with the Young Turkish party, sometimes apparently showing sympathy for them, and sometimes developing sentiments of antagonism with the objects they have in view. He is also mixed up with all the endless intrigues which emanate from the Palace at Constantinople. He is surrounded by a number of persons of very indifferent character. There is particularly a certain Ibrahim Muelhi, who is a friend of Abulhuda, the well-known Sheikh at Constantinople. I mentioned Ibrahim Muelhi's name to the Khedive the other day. His Highness at once said, "C'est la plus grande canaille imaginable." I then hinted that it was, perhaps, rather imprudent to allow such a man to have free access at all times to

the Palace. (I may mention that Ibrahim Muelhi, though he was not one of the official suite, accompanied the Khedive to England.) The Khedive laughed and said, "Vous savez, il est très intelligent." There can be no doubt that this man has a great influence over the Khedive, to whom he is probably very disloval.

Having said so much, I should add that I do not in the least believe that the Khedive has had anything to do with kidnapping Leon Fehmi, supposing him to have been kidnapped, which is not at all certain The Khedive assured me most positively that the man was not confined in the Ras-el-Tine Palace, and that he had not the least idea where he was. I inclose a letter from Major Chapman, giving an account of an interview which he subsequently had with the Khedive. Ali Bey Shahin, to whom allusion is made in Major Chapman's letter, is one of the Khedive's Masters of the Ceremonies. He is a man of bad character, and has told numerous falsehoods in the course of the inquiry which has recently been conducted. It is certain that he knows more about this affair than he cares to own.

Everything points to the conclusion that a plot has been got up, either to blackmail the Khedive or to embroil him with myself. Moreover, it is very possible that the strings may have been pulled from Constantinople. Amidst all these wretched intrigues one cannot do more than hazard a conjecture.

I have told the Khedive that I deeply sympathize with him in his difficulties, that my confidence in him is unimpaired, and that I fully believe all that he has said. I have also pointed out to him how very desirable it is in his own interests that Leon Fehmi should be found, and the whole incident explained. There can be no doubt as to the accuracy of this last statement. In spite of a certain amount of newspaper adulation, the Khedive's prestige does not stand at all high in Egypt. This recent incident, which has attracted a great deal of public attention, is calculated to injure it still further. The general belief amongst the natives is that Leon Fehmi has, in some form or another, been made away with by the Khedive's order. I should add that, during the last few days, I have received numerous communications, either verbal or written, from Young Turks, complaining of arbitrary treatment. As many of these complaints are certainly unfounded, I am inclined to think that there is some sort of general plan on foot to damage the Khedive's character. Simultaneously, a number of newspapers and broadsheets have been published, abusing the Khedive in the most violent and unreasonable terms. Some of these emanate from Arab and some from Young Turkish sources. Some are pro-Turkish, and others are hostile to the Sultan.

I have, &c.
(Signed) CROMER.

Inclosure in No. 41.

Major Chapman to Viscount Cromer.

My dear Lord Cromer, *Cairo, June* 30, 1901.

THE Khedive gave me his solemn word of honour this afternoon that he did not know where Leon Fehmi was, that he was not in the Palace, nor on the yacht, nor had he been sent to Constantinople; and (this is significant, in view of Leon Fehmi's final suppression), he, the Khedive, hoped that he would be heard of ere long, and that I would be the first to say that the Khedive had vindicated his honour. He in no way wished the inquiry to be stopped, only he begged, in quite a reasonable manner, that action about Ali Bey Shahin might not be precipitate, but he particularly said he did not desire to stand in the way of any action that might be considered right. He wished me to say all this to you.

The Khedive was sincere, if there is any truth in words, manner and physiognomy.

I think he is the victim of a plot suggested by his own folly. "Ils ont très bien monté leur coup," was an expression he used.

Believe me, &c.
(Signed) D. P. CHAPMAN.

No. 42.

Viscount Cromer to the Marquess of Lansdowne.—(*Received July* 14.)

(No. 82.)
My Lord, *Cairo, July* 4, 1901.

I HAVE the honour to reply to your Lordship's despatch No. 120 of the 28th ultimo.

When it was known that Arabi and Ali Fehmy were to be allowed to return to Egypt, Sir West Ridgeway telegraphed to me, asking whether the Egpytian Government was prepared to pay for the passages to Suez of themselves and their families.

These latter consisted of Arabi, his two wives, seven sons and daughters, and two grandchildren; Ali Fehmy and one grandchild; six Cingalese servants.

After consulting with the Egyptian authorities, I replied that the passage-money would be paid for all the members of the two families, but that, if Arabi and Ali Fehmi wished to bring any Cingalese servants, they must pay for them themselves.

The allowances will be continued on the return of the exiles to Egypt.

I take this opportunity of mentioning that Arabi is not a Pasha. He was deprived of his rank in 1882. His proper designation is Ahmed Effendi Arabi.

I have, &c.
(Signed) CROMER.

No. 43.

Mr. Hohler to the Marquess of Lansdowne.—(*Received July* 14.)

(No. 83. Secret.)
My Lord, *Cairo, July* 7, 1901.

IN continuation of Lord Cromer's despatch No. 81, Secret, of the 1st instant, I have the honour to report that, after several days had been spent in fruitless endeavours to discover the whereabouts of Leon Fehmy, information was finally received by the Egyptian Ministry of the Interior to the effect that he was starting from Port Said in a Messageries steamer for Marseilles.

This information was verified, but the ship had sailed before the order for his arrest could be sent. The Egyptian Government then made an attempt to have him arrested on his arrival and extradited, but it was found that the ship would reach Marseilles long before the necessary legal steps could be taken, and further, the Government were advised that a demand for extradition must emanate from Constantinople.

Leon Fehmy has by now reached Marseilles, his destination being, it is stated, Geneva.

Though the efforts of the Government to arrest him have thus proved unsuccessful, it is not unlikely that considerable inconvenience was thereby avoided, as there is no doubt that he was in some way mixed up in an intrigue, in which some of the Khedive's immediate *entourage* were concerned, and his examination might have elicited matter which it would have been more desirable to leave untouched.

I cannot so far learn that His Highness' change of plans, and his unexpected visit to Constantinople, have any connection with this incident. The best-informed sources of information are inclined to believe that it is in connection with the Khedivial estates in Thasos, a matter which has been the subject of negotiations with the Sultan for some months past.

With reference to the unfounded charges against the Khedive, referred to in the latter portion of Lord Cromer's above-mentioned despatch, I may instance the case of two persons, describing themselves as "Young Turks," who complained of illegal arrest. On inquiry, it was found that these individuals had gone to the Palace to see His Highness, had been kept waiting for four hours, and had then been told to go away, as the Khedive could not receive them. There was no other foundation whatever for their charge.

I have, &c.
(Signed) F. B. HOHLER.

No. 44.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received July* 14.)

(No. 255. Confidential.)

Therapia, July 9, 1901.

My Lord,

THE Khedive's arrival here on Saturday, the 6th instant, was apparently unexpected even by his Secretary, Ahmed Chefik Bey, till the previous day.

His Highness, who was good enough to call at the Embassy yesterday afternoon, received me to-day. He said that he had changed his plans very suddenly, owing, in great measure, to the state of health of the Khedivah. At the same time he rather gave me to understand that, as it suited him to do so, he was not sorry to be able to comply with the wishes of the Sultan, who preferred his coming now than in September, as was originally proposed. He was supposed to have come here on account of his estates in Thasos, and he hoped to use the occasion for persuading the Sultan that it would be well to allow him to work the mines there, which were now lying waste. He had had some conversation with His Majesty about the "Young Turk" party in Egypt, but without dwelling on the subject. He went on to talk of an Armenian whom he was supposed to have kidnapped, and who, I presume, is the same person that Mr. Hohler refers to in his telegram to your Lordship of the 7th instant, which he repeated to me. His Highness said that Lord Cromer had been perfectly straightforward, but that he much resented the mode of interrogation assumed by the Under-Secretary of the Ministry of the Interior. He did not, however, wish to make a quarrel out of such a small question, although he did not see how he could again receive this official.

His Highness spoke of the success that had attended the operations of the Anglo-Egyptian army in the Soudan, and referred to Lord Kitchener's military talents in eulogistic terms, although, he said, he had not treated him very well at the end of his tenure of office, notwithstanding that he had been instrumental in his appointment as Sirdar. He spoke warmly of Sir R. Wingate, and said that he hoped to visit him in the Soudan next winter, as he thought it would be well to show the Soudanese that the British and Egyptian Governments were mutually and cordially co-operating in the progress of the country.

His Highness said that he found the Sultan considerably aged and worn since he had seen him two years ago, and that His Majesty seemed to be worrying over the doings of the "Young Turk" party, and giving an unreal and quite undue importance to their proceedings.

In conclusion, His Highness expressed his lively gratitude for the language I had held to the Sultan when His Majesty had referred to his misdeeds as Khedive. Throughout the conversation the Khedive spoke in English.

I have not yet been able to ascertain whether there was any reason apart from those mentioned by His Highness for his sudden visit to this capital, but should I learn anything bearing on this point, I shall not fail to report it to your Lordship.

I have, &c.

(Signed) N. R. O'CONOR.

No. 45.

Sir M. Durand to the Marquess of Lansdowne.—(*Received July* 29.)

(No. 63.)

San Sebastian, July 26, 1901.

My Lord,

WITH reference to your Lordship's despatch No. 53 of the 15th instant on the subject of the opposition of the Spanish Government to the appointment of a Greek Judge to the Mixed Court of Appeal at Alexandria, I have the honour to report that I have to-day addressed a note to the Minister of State expressing the earnest hope of His Majesty's Government that the Government of His Catholic Majesty will give its consent to the Decree of the Egyptian Government increasing the number of foreign Judges in the Appeal Court of the Mixed Tribunals.

I shall take an early opportunity of mentioning the matter in conversation to the Duke of Almodovar.

I have, &c.

(In the absence of the Ambassador),

(Signed) W. G. MAX MÜLLER.

No. 46.

Treasury to Foreign Office.—(*Received August* 3.)

Treasury Chambers, August 2, 1901.

Sir,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Bertie's letter of the 6th June last, concerning the new Regulations issued on the subject of the financial relations between Egypt and the Soudan.

In reply, I am directed to request you to inform the Secretary of State that my Lords have read the Regulations with interest, and that they think they need offer no observations thereon.

I am, &c.

(Signed) E. HAMILTON.

No. 47.

Sir R. Rodd to the Marquess of Lansdowne.—(*Received August* 9.)

(No. 73.)

(Telegraphic.) P.

Cairo, August 9, 1901.

ON the 7th instant a quarrel broke out among some Italians in a house of ill-fame at Alexandria. The Egyptian police intervened, and a corporal was mortally wounded. A crowd of natives gathered round, of somewhat menacing proportions, uttering threats against Europeans; and a small force of police which arrived shortly on the scene, had great difficulty in saving the murderer from their violence. The British military police came to the assistance of the native police, and order was finally restored.

M. Machell, who is at Alexandria, informs me that the Consuls have shown some little anxiety, but, in his opinion, without reason.

No. 48.

Sir R. Rodd to the Marquess of Lansdowne.—(*Received August* 19.)

(No. 96.)

Cairo, August 12, 1901.

My Lord,

I HAVE the honour to transmit to your Lordship herewith a report which I have received from the Adviser to the Ministry of the Interior on an episode which took place at Alexandria on the 7th instant, and which has been represented by the foreign papers published in Egypt as having almost assumed the proportions of a dangerous riot, revealing the fanaticism of the native population. It is possible that similar accounts may have found their way to Europe.

The whole affair has been given an importance which it did not merit, and the fact that the British military police and a picquet from the guard were held in readiness to assist, has given further pretext of colour to the excited statements of certain European organs here, which have for a long time been carrying on an active campaign against the police and the Governor of Alexandria.

The European population of that city is notoriously timid and excitable, and, as generally happens on such occasions, a certain number of complaints have been made by their administrés to the Consuls, finding fault with the apathy of the police, and accusing them of ignoring appeals for assistance. This apathy is perhaps inevitable in the fellah, transformed into a policeman, who is generally averse to taking any initiative, and finds it safer always to wait for orders. In the present instance, however, the police appear, on the whole, to have behaved well, and the unfortunate corporal who was assassinated gave honourable proof of his courage and devotion.

So long as the low-class Italian population of Egypt, who all carry knives and revolvers which they use on the slightest provocation, are sent out of the country for trial on criminal charges, it is natural that the native population, who are severely punished for any aggression towards Europeans, should feel a sense of injustice and a certain resentment

against them. It is much to be desired that the Italians should follow the example of the Greeks, who have recently established an Assize Court in Egypt, which is able to deal on the spot with their numerous criminal class.

I have, &c.
(Signed) RENNELL RODD.

Inclosure in No. 48.

Note on the circumstances attending the Murder of an Onbashi of Police at Alexandria on August 7, 1901.

AT about 4 P.M. on the 7th August an Italian woman of bad reputation came down from her house in Hamamil Street to buy some lemonade from a native vendor with whom she was in the habit of dealing. A discussion arose between them on the subject of a debt, in which a second woman with the lover of the former and another Italian joined.

A considerable crowd of natives and Europeans quickly assembled, and the policeman on duty was unable to exert his authority. An Italian bar-keeper then fired some revolver shots, which brought up an Onbashi of police, who endeavoured to arrest him.

The Onbashi's bayonet was taken from him and he fell dead, stabbed in the stomach by a stiletto. Some more police who came up at this moment succeeded in arresting and holding the murderer.

As soon as the news reached the Manchieh Kism the Mamour Youzbashi Abdel Rahman Effendi Sami, proceeded to the spot. He found Anastasi's Street full of people in a most excited condition, and in Hamamil Street the excitement was intense. He found the police holding the Italian, Gaetano Segri, whose face was bruised and his clothes torn, and escorted him to the main street, where he put him into a cab and sent him under guard to the Kism. He also sent the body of the murdered policeman to the same place, and then returned to Hamamil Street. Two of the Italian's companions were on the balcony of their house, one holding the dead man's bayonet, and the other armed with a rifle. The former said he would not come down unless the Consul came. So the janissary was sent for and both men were arrested.

In the meantime the Governor had arrived, also Inspector Bewley, Youzbashi Lynn, &c. The Commandant was absent at the regatta and arrived at about 6 P.M.

The Governor was struck and slightly wounded in the hand by a missile from a balcony thrown by a European woman, Faustina, who was arrested.

A detachment of the Egyptian mounted police and reinforcements of foot police were quickly on the spot. They succeeded in preventing any further disturbance.

The inquiry was opened at the Kism by the Commandant, the Chef de Parquet, Cipollaro Bey, and the Italian Consul.

It appears that an interpreter at the British head-quarters hearing of the disturbance telephoned to Major Montagu, the Acting D.A.A.G. of the Army of Occupation, who at once ordered the military mounted police to go and assist.

On arriving at the spot himself, Major Montagu decided to send for the military foot police to come and await orders in the square, and ordered a picket of the artillery, with side arms, to similarly await orders near the Bourse. These foot detachments were not eventually required, but the mounted men rendered assistance to the civil police in keeping the crowd moving and by 7·30 P.M. all was quiet.

There is no doubt that the European population was greatly alarmed, and there are many stories of Europeans flying for their lives and being assaulted by natives. More moderate persons complain that certain policemen ignored their appeals for assistance, and a close inquiry is being made into these cases.

But beyond the permanent natural dislike which has always existed between the low Europeans and Arabs of this quarter, it seems really impossible to trace anything approaching to "fanaticism." When the policeman was murdered in the execution of his office, native feeling naturally ran high, and the Europeans were so terrified that many ran and locked themselves in their houses, swearing that it was the 11th June, 1882, over again.

But the native population really appears from the few reliable accounts available to have behaved with greater moderation than might have been expected, and the conduct of the officers and men of the police was most praiseworthy.

As already stated, a rigid inquiry is being made into all alleged cases of failure on the part of individuals to respond to any appeals for aid on the part of Europeans or natives.

A remarkable feature of this occurrence, which has aroused so much excitement in European circles, is that not a single case of injury or even robbery can be traced.

The funeral of the murdered policeman took place the following evening without incident.

Latest information is to the effect that the actual murderer was not Gaetano Segri, but another of the Italians who is already a prisoner.

No. 49.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received September 30.)

(No. 350.)
My Lord, *Therapia, September 26, 1901.*

I HAVE the honour to report that the Khedive of Egypt, who has been on a visit to the Bosphorus for the last three weeks, leaves this afternoon, accompanied by the Khedivah, for Egypt.

His Highness, whom I had the honour of entertaining at luncheon a few days ago, tells me that the Sultan has received him in a more friendly manner than on previous occasions, and that His Majesty has not attempted to interfere in any way with the freedom of his movements.

I have, &c.
(Signed) N. R. O'CONOR.

No. 50.

Sir R. Rodd to the Marquess of Lansdowne.—(Received October 14.)

(No. 129.)
My Lord, *Cairo, October 1, 1901.*

I HAVE the honour to report that Ahmed Arabi returned to Cairo yesterday from his exile in Ceylon.

A considerable number of people, prompted for the most part by curiosity, had collected at the station to witness his arrival.

There was a little hissing as he alighted from the train, and a certain amount of handclapping also as he drove away from the station, but nothing which amounted to a demonstration in either sense. The articles in the opposition native papers on the subject of his return are generally disparaging to Arabi, who is charged with having brought about the British occupation, and betrayed the Moslem cause.

I have, &c.
(Signed) RENNELL RODD.

No. 51.

Sir R. Rodd to the Marquess of Lansdowne.—(Received October 14.)

(No. 130. Confidential.)
My Lord, *Cairo, October 5, 1901.*

IN my immediately preceding despatch I had the honour to report to your Lordship the fact of the return of Ahmed Arabi from Ceylon, and the absence of any special public demonstrations on that occasion. In Egypt, however, surprises are never wanting, and, while a general impression appeared to prevail that Arabi would, after the slight curiosity which his arrival evoked, sink into a well-merited obscurity, the contrary has proved to be the case. Since his return to Cairo, his house has been thronged by visitors, belonging almost entirely to the fellah population, by which I do not mean to imply the inhabitants of the country, but rather what may be described as the middle-classes of Egyptian society, including the wealthy fellah Pashas. Yesterday it had become known in some manner that Arabi would perform his devotions in the mosque

of Saida Zeinab. The mosque was filled to overflowing, and thousands of people saluted the returned exile, kissing his hands and the border of his clothes. So great was the crowd about him that the police had considerable trouble in maintaining order. There do not appear to have been any signs of disapprobation, as on his arrival at the station.

At all the receptions which he has held since his return, Arabi has never ceased to harangue his audience on the blessings of British rule, lamenting how his countrymen have misunderstood and misinterpreted the beneficent aims of the protecting Power, and the calumnies which he has seen recorded in the native papers. Questioned as to the position of Moslems in India, he gave his own experiences in Ceylon, and waxed enthusiastic over the broad spirit of toleration which prevailed in the British Empire, and the perfect freedom enjoyed by all religions, whether Moslem, Buddhist, or Christian.

Arabi himself, although a commonplace individual of no particular gifts or powers, appears to have preserved, or perhaps rather acquired since his exile, with the middle and lower classes of Egypt, a kind of legendary reputation as the advocate of their cause and the champion of their liberties against the old oligarchy of the foreign Pashas. As such he appears to enjoy, for the present at any rate, a great popularity which has much impressed the impartial observer.

These facts have not failed to attract the attention of the Palace, where the notice given to Arabi is viewed with great jealousy, especially as he now appears in the character of the most ardent supporter of the British occupation, which has, he says, brought about all the dreams of his ambition. This jealousy reveals itself in the liberal abuse bestowed upon him by the native papers which support the Palace, and reflect the views of so-called patriots of the Mustapha Kamel type. Emissaries have also been sent to the more important persons who have frequented Arabi, as well as to the Ulema of the El-Azhar University, who, strange to say, appear to have paid some attention to the former leader of rebellion, recommending that such visits should be discontinued.

The Khedive is reported to have said, in giving an account to his intimates of the effects of his recent visit to Constantinople, that the Sultan had on this occasion allowed His Highness to discuss the Egyptian question freely, and that when he took his leave His Imperial Majesty grasped his hand warmly and observed: "From now on, we must work together as friends for the common cause." If these words foreshadow a recrudescence of the spirit of active opposition to the present régime, on the part of His Highness, which has been for a time quiescent, it is not impossible that the irony of history may receive a curious illustration, and that we may see the former leader of revolt using the influence which he still appears to possess in support of the British occupation and in opposition to the Khedive, to save whose dynasty the occupation was originally brought about.

I have, &c.
(Signed) RENNELL RODD.

No. 52.

Sir R. Rodd to the Marquess of Lansdowne.—(*Received October* 19.)

(No. 136.)
Cairo, October 9, 1901.

My Lord,

I HAVE the honour to transmit to your Lordship herewith copy of the Annual Report on the operations of the corvée (the compulsory duty of guarding the Nile banks during the period of flood) for the year 1900. This Report, which is addressed by the Minister of Public Works to His Highness the Khedive, was published in the "Official Journal" of the 7th instant.

Your Lordship will observe by the figures given in the Comparative Table (B) that the number of men called out in 1900 was considerably in excess of that which was found necessary in 1897, the year in which the character of the flood most nearly resembled that of last year. A satisfactory explanation of this difference, however, seems to me to be provided by the fact that the early and very rapid rise of the last flood required a greater degree of vigilance and precaution. I venture to draw your Lordship's attention to the figures given in the last paragraph of the Report, which

shows the great improvement which has taken place in this connection since the year 1893, when, the conditions of the river flood being closely alike, no less than 32,752 men were called out for this duty.

I have, &c.
(Signed) RENNELL RODD.

Inclosure in No. 52.

Extract from the Egyptian "Journal Officiel" of October 7, 1901.

Ministère des Travaux Publics.

Son Altesse Abbas Hilmi Pacha, Khédive d'Égypte :

Monseigneur,

CONFORMÉMENT aux dispositions du deuxième paragraphe de l'Article 4 du Décret du 2 Avril, 1888, j'ai l'honneur de soumettre à votre Altesse le Rapport suivant, relatif aux opérations de la corvée en 1900.

Le Tableau (A) comporte les sommes dépensées dans chaque province, pour l'exécution, à l'entreprise, des travaux d'entretien et de protection qui étaient autrefois exécutés par la corvée.

État (A).—Corvée 1900.

Cercles.	Provinces.	Budget de la Corvée.	Budget Ordinaire.	Total.
		£E. m.	£E. m.	£E. m.
1er	Kallioubieh	15,737 035	1,337 060	17,074 095
	Charkieh	17,976 572	13,581 373	31,557 945
	Dakahlieh	12,286 393	15,760 518	28,046 911
2e	Menoufieh	21,325 672	9,721 710	31,047 382
	Gharbieh	20,673 837	15,575 680	36,249 517
3e	Guizeh	9,095 000	4,278 000	13,373 000
	Béhéra	24,904 434	12,521 000	37,425 434
4e	Fayoum	7,202 702	1,107 000	8,309 702
	Béni-Souef	13,780 603	2,010 000	15,790 603
	Minieh	23,700 000	2,577 000	26,277 000
	Assiout, 1re section	21,316 695	3,556 000	24,872 695
5e	Kéneh	24,078 629	1,160 000	25,238 629
	Frontières	9,921 371	339 998	10,261 369
Direction de Ghirgueh	Ghirgueh	20,936 335	487 554	21,423 889
	Assiout, 2e section	7,063 665	236 758	7,300 423
	Totaux	249,998 943	84,249 651	334,248 594

Le Tableau suivant (B) donne les nombres équivalents des corvéables réquisitionnés pendant 100 jours; il permet de faire une comparaison entre les nombres réquisitionnés en 1900 et dans les années précédentes jusqu'à 1897.

État (B).—Corvée 1900.

Nombre des Corvéables réquisitionnés pendant 100 jours.

Cercles.	Provinces.	1900.	1899.	1898.	1897.
1er	Kalioubieh	60	..	199	30
	Charkieh	..	..	..	..
	Dakahlieh	189	..	852	153
2e	Menoufieh	759	..	956	400
	Gharbieh	772	65	1,030	324
3e	Ghizeh	735	337	1,927	561
	Béhéra	995	324	2,011	964
	Totaux pour la Basse-Égypte ..	3,510	726	7,275	2,432
4e	Fayoum	561	437	241	516
	Béni-Souef	1,425	1,115	1,632	1,126
	Minieh	1,842	1,343	2,572	1,393
	Assiout	2,420	1,955	3,046	2,331
Direction de Ghirgueh	Ghirgueh	2,683	1,195	3,094	1,073
5e	Kéneh	1,695	542	1,370	1,788
	Frontières	44	580	96	171
	Totaux pour la Haute-Égypte ..	10,670	7,167	12,051	8,398
	Totaux généraux	14,180	7,893	19,326	10,830

La crue de 1899 a été si exceptionnellement basse qu'il devient impossible de faire d'une manière utile une comparaison quelconque entre les nombres d'hommes réquisitionnés pendant cette année et le nombre d'hommes réquisitionnés pendant les années antérieures, depuis la crue de 1888, qui était aussi une année d'une crue exceptionnellement basse. Les hauteurs maxima et moyennes des crues de 1897 et de 1900 se ressemblent exactement. La grande différence entre ces deux crues est que celle de 1897 a été tardive et qu'elle s'était élevée très graduellement, de sorte qu'à aucun moment elle n'a donné la moindre indication d'être autre chose qu'une crue très modérée, tandis que la crue de 1900 s'est élevée de bonne heure et d'une manière si rapide que, jusqu'au 18 Août, elle semblait devoir être une crue exceptionnellement haute.

Il est d'usage, dans la Basse-Égypte, d'appeler les corvéables lorsque la cote de Rodah atteint 18 pics. Le nombre d'hommes réquisitionnés dépend de l'attente qu'on a d'une haute ou d'une basse crue. Dans la Haute-Égypte, les hommes sont réquisitionnés une semaine plus tôt que dans le delta. En 1897, le nilomètre de Rodah n'a atteint la cote de 18 pics que le 30 Août et les échelles nilométriques installées dans les parties méridionales du fleuve indiquaient une crue assez modérée; de cette manière il n'a été nécessaire d'appeler qu'un nombre limité d'hommes sur les points les plus dangereux du fleuve.

En 1900, l'échelle de Rodah a atteint 18 pics le 14 Août et les nilomètres des provinces du sud faisaient craindre une crue exceptionnellement haute; aussi a-t-il été nécessaire de réquisitionner un nombre relativement assez grand de corvéables pour se tenir prêts pendant la haute crue en vue. Vers la fin du mois d'Août, la hausse des eaux s'est arrêtée et l'échelle d'Assouan a, par coïncidence, accusé la même cote le 2 Septembre en 1897 et en 1900. L'époque à laquelle les corvéables sont renvoyés chez eux ne varie pas beaucoup, étant donné qu'elle dépend de la date à laquelle la hausse du fleuve, causée par le déversement des eaux des bassins de la Haute-Égypte, commence à diminuer.

En comparant ainsi les deux années de 1897 et 1900, nous trouvons que dans la dernière année les corvéables ont été réquisitionnés seize jours plus tôt qu'en 1897 et

qu'ils ont été aussi appelés en un nombre plus considérable, ce qui explique surtout la raison pour laquelle les nombres de 1900 ont dépassé ceux de 1897. Une autre raison consiste dans l'augmentation considérable de la longueur des digues des bassins par la création du système de bassins à l'ouest du Bahr Youssef. Avant la prochaine crue, les nouvelles digues de ces bassins seront revêtues de pierres et n'exigeront alors que peu de surveillance. Après 1897 la crue qui peut être comparée à celle de 1900 est la crue de 1893, dans laquelle nous trouvons que le nombre total des hommes réquisitionnés pendant 100 jours était de 32,752, chiffre qui démontre le progrès qui a été fait dans les années dernières pour réduire le nombre des hommes réquisitionnés. On doit cette réduction en partie au soin extrême qu'on prend de ne pas réquisitionner des hommes en nombre supérieur aux besoins, et, en partie au résultat des travaux de protection qui réduisent graduellement la longueur des digues du fleuve et des bassins qui doivent être surveillés pendant l'époque de la crue.

J'ai, &c.
(Signé) H. FAKHRY.

No. 53.

Sir R. Rodd to the Marquess of Lansdowne.—(*Received November* 9.)

(No. 143.)
My Lord, *Cairo, October* 27, 1901.

I HAVE the honour to transmit to your Lordship herewith copy of a Khedivial Decree which has been published in the "Official Journal," appointing M. Benjamin Müller to the post of French Commissioner of the State Domains Administration, M. Bouteron having given in his resignation for reasons of health.

I have, &c.
(Signed) RENNELL RODD.

Inclosure in No. 53.

Extract from the Egyptian "Journal Officiel."

Décret.

NOUS, Khédive d'Égypte,

Vu l'Article 6 du Décret du 26 Octobre, 1878, et le Décret du 31 Octobre, 1885 (23 Moharrem 1303),

Décrétons:

Article 1er. M. Benjamin Müller, Commissaire-Adjoint à la Commission des Domaines de l'État, est nommé membre Français de la dite Commission, en remplacement de M. E. Bouteron, démissionnaire.

Art. 2. Notre Président du Conseil des Ministres est chargé de l'exécution du présent Décret.

Fait au Palais de Ras-el-Tine, le 26 Octobre, 1901 (13 Ragab, 1319).

(Signé) ABBAS HILMI.

Par le Khédive:
Le Président du Conseil des Ministres,
(Signé) Moustapha Fehmy.

No. 54.

The Earl of Cromer to the Marquess of Lansdowne.—(*Received November* 23.)

(No. 149.)
My Lord, *Cairo, November* 12, 1901.

WITH reference to my despatch No. 77 of the 25th June last, I have the honour to report that M. Gryparis, the Greek Consul-General, came to see me to-day to inquire what, if any, had been the result of the representations made by His Majesty's

Government with a view to obtaining the consent of the Spanish Government to the permanent appointment of a Greek Judge to the Court of Appeal at Alexandria.

I should be glad if your Lordship would enable me to answer M. Gryparis' inquiries, and venture to suggest that a further communication should, if necessary, be addressed to the Spanish Government on the subject.

I have, &c.
(Signed) CROMER.

No. 55.

The Marquess of Lansdowne to Sir M. Durand.

(No. 90.)
Foreign Office, November 27, 1901.

Sir,

WITH reference to your Excellency's despatch No. 63 of the 26th July last, I transmit to you a copy of a despatch from His Majesty's Agent and Consul-General at Cairo,* asking to be informed whether your representations to the Spanish Government with a view to inducing them to agree to the permanent appointment of a Greek Judge to the Court of Appeal at Alexandria have had any result.

I request that your Excellency will press the Spanish Government not to withhold any longer their consent to the appointment in question.

I am, &c.
(Signed) LANSDOWNE.

No. 56.

The Earl of Cromer to the Marquess of Lansdowne.—(*Received December* 9.)

(No. 156.)
Cairo, November 29, 1901.

My Lord,

WITH reference to my despatches Nos. 81 and 83, Secret, of the 1st and 7th July last, on the subject of the disappearance of a certain Leon Fehmi from Alexandria, I have now the honour to transmit to your Lordship herewith copy of a lithographed letter which I have received from this individual, and of my reply.

As I was desirous of acting in this matter in complete accord with the Khedive, I requested his Excellency Moustapha Pasha Fehmi to submit the draft of my proposed answer to his Highness, who expressed his entire satisfaction with its terms.

I should add that Leon Fehmi's letter appears to have been widely circulated in this country.

I have, &c.
(Signed) CROMER.

Inclosure 1 in No. 56.

M. Leon Fehmi to the Earl of Cromer.

Athènes, le 7 Novembre, 1901.

Excellence,

J'AI l'honneur de porter à votre connaissance, comme il vous est déjà connu, que le Dimanche, 30 Juin, à trois heures de l'après-midi, je suis parvenu, avec votre appui, à sortir du bateau "Mahroussa." Il m'a été lu par le Drogman de la Légation Anglaise votre ordre, et celui du Consulat, pour me rendre à Port Saïd, accompagné d'un Attaché du Khédive, et j'y ai obéi. Là, je pris le bateau "Laos" et me suis rendu à Marseille, où j'ai purgé onze jours de quarantaine, après quoi je me suis installé à l'hôtel Boveau pour seize jours. On me fit ensuite parvenir une lettre de crédit par la banque, avec l'ordre de me verser vingt louis d'or par mois, et l'on me proposa de me rendre en Amérique avant mon départ pour Marseille. J'y ai refusé net, attendu que je n'y avais rien à faire. Je me suis donc rendu en Grèce, où je me trouve encore aujourd'hui pour être près de l'Égypte.

* No. 54.

Comme vous étiez absent, je suis resté ici pour attendre votre retour. Il en résulte que je vous prie de me donner l'autorisation pour me rendre en Égypte dans le but de porter plainte par devant les Tribunaux contre le Khédive, dont l'intention était de m'expédier à Constantinople et de m'y faire prendre. Sachez, que son Palais n'est autre qu'une prison, et qui sait combien de crimes il y a été commis, ce serait par conséquent rendre un service à l'humanité.

Vous, inspirés de Dieu, protecteurs de toutes les nations du monde, vous aurez pitié de moi et vous me permettrez d'aller en Égypte pour y trouver raison.

Permettez-moi, au nom de tous les sujets Ottomans, de vous présenter mes meilleurs félicitations à l'occasion de votre mariage.

Daignez agréer, &c.
(Signé) LEON FEHMI.

Inclosure 2 in No. 56.

The Earl of Cromer to M. Leon Fehmi.

LORD CROMER has received a letter from Leon Fehmi Effendi, in which the latter states that, on the 30th June, 1901, he received a letter from Lord Cromer and from His Britannic Majesty's Consul at Alexandria to proceed to Port Said. No such order was given, either by Lord Cromer or by Mr. Gould.

Leon Fehmi Effendi further requests Lord Cromer's permission to return to Egypt. Residence in Egypt does not require Lord Cromer's permission. The question of whether Leon Fehmi Effendi will, or will not, return to Egypt is one which he can decide for himself; neither is any expression of opinion on the subject from Lord Cromer necessary.

Cairo, November 27, 1901.

No. 57.

War Office to Foreign Office.—(*Received December* 10.)

War Office, December 9, 1901.

Sir,

WITH reference to Sir T. Sanderson's letter of the 11th January last, I am directed by the Secretary of State for War to inquire whether Lord Lansdowne considers that there are any special reasons why the Egyptian Government should not be asked to make a larger contribution in 1902–1903 towards the cost of the Army of Occupation than the 87,000*l.* which has been paid annually to army funds in recent years. I am to point out that now, as formerly, the extra cost borne on Army Votes is much greater than the contribution paid, and considerable additional expense is now being borne by Army Votes on account of barrack accommodation at Khartoum.

I am, &c.
(Signed) FRANK T. MARZIALS.

No. 58.

The Marquess of Lansdowne to Earl Cromer.

(No. 226.)
Foreign Office, December 12, 1901.

My Lord,

WITH reference to my despatch No. 8 of the 11th January last, and to your Lordship's despatch No. 8 of the 19th of the same month, I transmit to you a copy of a letter from the War Office,* inquiring whether there are any special reasons why the Egyptian Government should not be asked to make a larger contribution in 1902–1903 towards the cost of the British Army of Occupation than the 87,000*l.* paid annually in recent years.

I request that you will inform me of your opinion as to the reply which should be sent to the War Office.

* No. 57.

Owing to the large military expenditure which has been necessitated by the South African war, it will be difficult to resist the demand of the War Office for a contribution from the Egyptian Government commensurate with the expense of the Army of Occupation.

I am, &c.
(Signed) LANSDOWNE.

No. 59.

The Earl of Cromer to the Marquess of Lansdowne.—(*Received December* 28.)

(No. 164. Confidential.)

Cairo, December 19, 1901.

My Lord,

I HAVE the honour to reply to your Lordship's despatch No. 226 of the 12th instant.

The question of whether the contribution of the Egyptian Treasury towards the expenses of the Army of Occupation should be increased is one on which I have, on several previous occasions, expressed my opinion, although, I think, in unofficial form. I have always strongly deprecated, and I still strongly deprecate, any change being made in the existing arrangement.

The position of affairs is as follows:—

I do not know by what amount it would be proposed to increase the Egyptian contribution, but I conceive the sum would not be sufficient to cause any serious embarrassment to the Egyptian Treasury, although, in this connection, it has to be borne in mind that, under existing international arrangements, for every sovereign added to the expenditure, another sovereign has to be paid to the Commissioners of the Public Debt. Thus, the Egyptian Government would have, in reality, to pay double the additional charge made by the British War Office. This, however, is not the main point to which I wish to draw your Lordship's attention.

It is impossible to treat the question now under discussion solely on its own merits. It has to be considered in connection with other financial relations between the British and Egyptian Governments, and notably with the situation created by the reoccupation of the Soudan.

It must be remembered that the decision to advance beyond Wadi Halfa, which necessarily involved a further advance to Khartoum, was taken without consultation with the Khedive or with his Ministers. This has been by no means forgotten in this country. I persistently advocate the view that the reoccupation of the Soudan has been a benefit to Egypt, and, without doubt, valid arguments may be advanced in favour of this opinion, though they are not of a nature to command universal assent, either in or outside this country. However this may be, it cannot be denied that the greater portion of the initial expenditure of reoccupation fell on the Egyptian, and not on the British Government, which latter contributed in all 800,000*l.*; and further that, with the exception of the relatively small sum necessary to maintain a single battalion at Khartoum, the whole cost of the civil and military administration of the Soudan has, since the reoccupation, fallen on the Egyptian Treasury, which is now burthened with a charge of from 400,000*l.* to 450,000*l.* a-year on this account. Neither can it be denied that the British and Egyptian flags are floating side by side in the Soudan, and that, under the Convention of January 19, 1899, the Soudan has become an Anglo-Egyptian, and not a purely Egyptian possession. It is impossible to convince any one here that an arrangement is just, under which, if there are two partners to a concern, the senior partner practically has the supreme direction—as, in dealing with the Soudan, must obviously be the case—whilst the junior partner pays the whole of the cost. Yet this is what is now happening. I have good reason for believing that the existing situation is fully understood by the Egyptians, and is strongly resented by them. I have so far, though not without difficulty, managed to prevent this issue being raised in any form likely to cause trouble, but I shall be quite unable to prevent an acrimonious discussion, in which the Egyptian Legislative Council and every newspaper in the country must infallibly join, if the demand now put forward by the War Office is pressed, for a counter-claim on Soudan account will certainly be put forward, amounting to a far larger sum than any conceivable increase to the Army of Occupation charge. It would, of course, be possible for His Majesty's Government to reject this counter-claim, and practically to order the Egyptian Government to pay the extra contribution. But I cannot believe that any such course will

be adopted. It would be quite out of harmony with the general attitude which has persistently been adopted here, and I may add that the slight advantage which would accrue to the British Treasury would be bought at the expense of causing an amount of resentment and dissatisfaction amongst every class and every nationality in Egypt altogether incommensurate with the pecuniary gain.

I entertain a very strong opinion on this subject, which, I venture to think, is one of far more than departmental importance. I consider that, in respect to the Egyptian question in all its secondary aspects, no step could be more unwise than to raise the question of increasing the contribution for the expenses of the Army of Occupation. The present arrangement as regards the two points at issue—namely, the Army of Occupation and the Soudan—may not be very logical, but it has practically been accepted on both sides and works fairly well. By far the best thing we can do is to leave it alone. I, therefore, earnestly hope that the question will be dropped.

I should add that, when the Soudan Convention was under consideration, a definite engagement was taken by the Treasury that His Majesty's Government would bear the whole cost of any British troops stationed in the Soudan, other than special extraordinary forces. I mention this point because the War Office proposal, as on previous occasions, is partly based on the "additional expense now being borne by army votes on account of barrack accommodation at Khartoum." I venture again to suggest that Sir Francis Mowatt's letter to the Foreign Office of the 20th December, 1898, should be communicated to the War Office.

I have, &c.
(Signed) CROMER.